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RESEARCH REPORT

THE IMPACT OF SECONDARY SUITES
ON MUNICIPAL INFRASTRUCTURE
AND SERVICES

EXTERNAL
RESEARCH
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**THE IMPACT OF
SECONDARY SUITES
ON MUNICIPAL
INFRASTRUCTURE
AND SERVICES**

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Abstract

Municipalities are increasingly relying on user fees as a way to generate revenue. In BC, there is a growing trend to apply this approach to secondary suites, and municipalities are introducing utility fees and other charges for municipal services for both legal and illegal suites. This is in response to a perception that suites place an additional burden on municipal infrastructure. The rationale provided for these fees is to provide revenue to address the impact of secondary suites on municipal infrastructure and services, and to address community concerns that suites should pay their "fair share" of municipal taxes and costs. However, there is concern about how charges are being calculated and whether they are being assessed equitably. There are also claims that the charges are motivated by municipalities' need to seek additional revenues other than property tax.

This report examines the impact of secondary suites on municipal infrastructure and services. It also assesses the validity of different approaches regarding charges for secondary suites based on a literature review and case studies of three municipalities.

The literature review found no empirical evidence of actual impacts of secondary suites that would justify charging fees. The most commonly held view is that accessory apartments should not place an increased burden on services because they are most likely to occur in areas that have experienced a decline in population and reduced household sizes.

The case studies showed that the impact of secondary suites is likely to vary considerably based on the type of municipality. In urban core municipalities, a minimal impact is likely. Newly developing greenfield outer suburbs may face the greatest impact. In inner suburbs, the impact is unknown. Survey results demonstrated that homes with suites do not consume twice the amount of municipal services as those without. For virtually all aspects of urban infrastructure examined: water and sewer, garbage and recycling, and parking - the occupants of homes with secondary suites consumed less than double the services. Therefore, if municipalities wish to charge for these services on a per unit basis, according to this study, it would appear that the rate for secondary suites should be less than the charge for single family homes.

First municipalities need to determine if they wish to charge for suites. It is recommended that they consider affordable housing policy objectives, administrative issues, and demographic trends in their area. If they wish to charge, they should consider charging based on consumption or based on the *type* of municipality. The study found the impact of secondary suites on municipal infrastructure to vary in urban core and outer suburban municipalities.

Executive Summary

Municipalities are increasingly relying on user fees as a way to generate revenue. In BC, there is a growing trend to apply this approach to secondary suites, and municipalities are introducing utility fees and other charges for municipal services related to both legal and illegal suites. This is in response to a perception that suites place an additional burden on municipal infrastructure. These fees are intended to provide revenue to address the impact of secondary suites on municipal infrastructure and services, and to address community concerns that suites should pay their "fair share" of municipal taxes and costs. However, there is concern about how charges are being calculated and whether they are being assessed equitably.

This report examines the impact of secondary suites on municipal water, sewer and garbage collection. The rationale for this focus is the current trend to charge for these specific services. The study also assesses the validity of different approaches regarding charges for secondary suites based on the information obtained from a literature review and case studies.

The research methodology included the following components:

- A literature review on the impact of secondary suites on municipal infrastructure and services in both established and new neighbourhoods;
- Case studies of three municipalities, which included a demographic analysis and a survey of homes with suites and homes without suites; and
- An assessment of alternative approaches and practices regarding charges for secondary suites.

Literature Review

The review focused mainly on Canadian and American sources published within the last 10 years available through the UBC library system. A search was also conducted for published municipal staff reports, and many of these were obtained from ICURR. Several web sites were also helpful in locating useful information, including those of the Department of Housing and Urban Development in Washington, and the UBC Centre for Real Estate and Urban Land Economics.

Much of the literature on secondary suites addresses concerns expressed by the public regarding the impact of suites on municipal infrastructure and services. However, the literature review found no empirical evidence of actual impacts of secondary suites that would justify the fees being charged. The most commonly held view expressed in the literature is that accessory apartments are not expected to place an increased burden on services because of a decline in population and reduced household sizes. There is an assumption that areas most likely to experience conversion are those which have experienced a decline in population. In these areas total demand with secondary suites is less than the original design capacity of the services. The literature is limited in scope because most of what has been written focuses on existing neighbourhoods. There is very little information about the impact of suites in new neighbourhoods or about new homes that are specifically designed to contain a "purpose built" suite. Therefore, the literature is not entirely useful in considering the current situation in BC where many municipalities are experiencing significant growth.

Case Studies

Municipalities selected for the case studies include the City of Victoria, District of North Vancouver, and City of Abbotsford. These represented a range of types of municipalities from the older established urban core municipality (Victoria), to the older established inner suburb (North Vancouver), and to the newly developing greenfield type of suburban municipality (Abbotsford). Secondary suites are also legal in these municipalities and it was felt that survey respondents would be more likely to complete the survey because of this.

The case studies are important because they provide preliminary empirical data showing the demographics of three types of municipalities and the actual impact of secondary suites on local infrastructure for two municipalities.

The demographic analysis shows that Victoria, North Vancouver and Abbotsford are quite different municipalities in terms of population growth rates, household growth rates, average household size, proportion of population under 18 years and the average number of children per family. The older urban core municipality (Victoria) most closely reflects the type of municipality described in the literature where additional consumption due to the presence of secondary suites would not exceed previous consumption patterns – declining or stable population, declining household size, and a decline in the average number of children per family.

There were two significant findings from the survey results. Firstly, homes with suites do not consume twice the amount of municipal services as those without. For virtually all aspects of urban infrastructure examined: water and sewer, garbage and recycling, and roads and parking – the occupants of homes with secondary suites consumed less than double the services. Additional consumption of water by homes with secondary suites (and consequently sewer) ranges from 35% to 63% more. Homes with suites produce 36% to 42% more garbage for collection on a weekly basis; they possess 27% to 40% more cars per household; and either have more than enough on site parking spaces or just under the number of on site spaces needed to accommodate the additional vehicles.

Secondly, the impact of secondary suites on the use of municipal infrastructure varies according to type of municipality. For example, the impact of secondary suites on most elements of municipal infrastructure examined in this study is less in the urban core municipality compared to the outer suburb. Although we were unable to carry out the survey in an inner suburb, it is reasonable to assume that resident consumption patterns would lie somewhere between those of an urban core type municipality and an outer suburban municipality.

Assessment of Alternative Approaches

In assessing the different approaches for charging for secondary suites, it is important to note that there is no such thing as a typical neighbourhood. Every community is different, and it is up to each municipality to determine which approach makes the most sense given local circumstances.

It is recommended that municipalities consider the following in determining whether or not to charge.

1. Policy considerations. Municipalities may wish to consider the extent to which they wish to encourage secondary suites as a way to meet affordable housing or other policy objectives.
2. Administrative considerations. Another issue is whether they wish to undertake the additional administrative responsibilities involved in charging for secondary suites.

3. **Demographic considerations.** Municipalities may wish to base their decision on whether or not to charge secondary suites for services based on their demographics. This analysis would help municipalities determine the extent to which suites are likely to have an impact on municipal infrastructure and services and would also be useful in providing direction regarding appropriate or equitable rates. Factors to consider include:

- Population change
- The change in the number of households
- Average household size
- Proportion of population under 18 years
- Average number of children per family

If the decision has been made to charge homes with suites, the next step is to determine what amount is fair or reasonable.

1. **Charges based on use.** Municipalities that wish to recover municipal servicing costs associated with secondary suites may wish to consider charging all homes based on consumption or use. This is an ideal approach as it is clear that all homes would be paying their "fair share" regardless of whether or not the home has a suite. In addition, this approach eliminates the need to distinguish between homes with and without suites.
2. **Charges on a per unit basis.** If municipalities decide to charge for municipal services such as water, sewer and garbage collection on a per unit basis, according to this study, it would appear that the rate for secondary suites should be less than the charge for single family homes. Based on the demographic analysis and survey results, the impact of secondary suites is likely to vary considerably based on the type of municipality as follows:

Urban core municipalities – Minimal impact likely.

Inner suburbs – Impact is likely to be more than urban core municipality but less than newly developing greenfield outer suburb.

Newly developing outer suburbs – May face the greatest impact.

More empirical studies are needed, particularly for inner suburban municipalities. A larger sample of neighbourhoods should be included to ensure results are typical of the municipality and to confirm these preliminary findings. It is recommended that the findings about different types of municipalities be re-examined over time as neighbourhoods change and densify.

Sommaire

Les municipalités emploient de plus en plus des frais d'utilisation pour générer des recettes. En Colombie-Britannique, on le fait de plus en plus pour les appartements accessoires, et les municipalités introduisent des frais de services publics et d'autres frais de services municipaux, à l'intention des appartements légaux et illégaux, parce que ceux-ci imposent un fardeau supplémentaire à l'infrastructure municipale. Ces frais visent à générer des recettes pour compenser l'impact des appartements accessoires sur l'infrastructure et les services municipaux, et parce que la collectivité tient à ce que les appartements paient « leur juste part » de taxes et coûts municipaux. Toutefois, on s'inquiète de la façon dont les frais sont calculés et évalués.

Le présent rapport examine l'impact des appartements accessoires sur des services municipaux (aqueduc, égouts et cueillette des ordures), en raison de la tendance actuelle à facturer ces services. L'étude évalue aussi la validité de différentes façons d'aborder les frais relatifs aux appartements accessoires, en se basant sur des renseignements tirés d'une analyse documentaire et d'études de cas.

Voici les principaux éléments de la méthodologie de recherche :

- une analyse documentaire consacrée à l'impact des appartements accessoires sur l'infrastructure et les services municipaux, dans les quartiers établis et nouveaux;
- des études de cas sur trois municipalités, y compris une analyse démographique et une enquête sur les logements avec ou sans appartements;
- enfin, une évaluation d'autres approches et pratiques sur les frais relatifs aux appartements accessoires.

Analyse documentaire

L'analyse insistait surtout sur les documents canadiens et américains publiés au cours des 10 dernières années et disponibles au moyen du réseau de bibliothèques de l'UBC. Nous avons aussi mené une recherche de rapports publiés par le personnel municipal, et bon nombre de ceux-ci provenaient du CIRUR. Plusieurs sites Web nous ont aussi été utiles pour trouver de précieux renseignements : signalons notamment ceux du Department of Housing and Urban Development à Washington, et le Centre for Real Estate and Urban Land Economics de l'UBC.

Une bonne partie de la documentation sur les appartements accessoires porte sur des préoccupations exprimées par le public au sujet de l'impact des suites sur l'infrastructure et les services municipaux. Toutefois, l'analyse documentaire n'a trouvé aucune preuve empirique de conséquences réelles des appartements accessoires qui justifieraient les frais imposés. L'opinion la plus courante dans les documents est que ces appartements sont peu susceptibles d'imposer un fardeau excessif sur les services, et ce à cause de la baisse de la population et de la diminution des tailles des ménages. On présume que les secteurs les plus propices à une conversion sont ceux dont la population diminue. La

demande totale à l'égard d'appartements accessoires y est inférieure à la capacité nominale initiale des services. La documentation est d'envergure limitée, car la plupart des textes écrits sont orientés vers les quartiers existants. Il y a très peu d'information sur l'impact des appartements dans les nouveaux quartiers ou au sujet des nouvelles maisons expressément conçues pour contenir un appartement construit dans un but déterminé. Par conséquent, la documentation n'est pas entièrement utile pour embrasser la situation actuelle en Colombie-Britannique, où de nombreuses municipalités sont en pleine croissance.

Études de cas

Les municipalités choisies pour les études de cas sont la Ville de Victoria, le district de North Vancouver et la Ville d'Abbotsford. Elles représentent un éventail de types de municipalités : ancienne localité à centre-ville (Victoria), proche banlieue ancienne (North Vancouver) ou nouveau genre de municipalité de banlieue (Abbotsford). Les appartements accessoires étant aussi légaux dans ces municipalités, nous avons estimé que les répondants seraient plus susceptibles de remplir le questionnaire de l'enquête.

Les études de cas sont importantes, car elles fournissent des données empiriques préliminaires indiquant la démographie de trois types de municipalités, et l'impact réel des appartements accessoires sur l'infrastructure de deux municipalités.

L'analyse démographique montre que Victoria, North Vancouver et Abbotsford sont des municipalités très différentes à plusieurs points de vue : taux de croissance de la population et des ménages, taille moyenne des ménages, proportion des moins de 18 ans dans la population, et moyenne d'enfants par famille. La vieille municipalité à centre-ville (Victoria) reflète le plus étroitement le type décrit dans la documentation, où la consommation additionnelle causée par la présence d'appartements accessoires ne dépasse pas les modes de consommation précédents : population décroissante ou stable, taille décroissante des ménages et diminution de la moyenne d'enfants par famille.

Les résultats de l'enquête ont produit deux conclusions majeures. D'abord, les maisons avec appartement ne consomment pas deux fois plus de services municipaux que les autres. Pour pratiquement tous les aspects de l'infrastructure urbaine examinée (aqueduc et égouts, ordures et recyclage, routes et stationnement), les occupants des maisons avec appartements accessoires consommaient moins du double des services. La consommation supplémentaire d'eau (et, par conséquent, l'usage des égouts) par les maisons avec appartement accessoire oscille entre 35 et 63 %. Ces maisons produisent de 36 à 42 % plus d'ordures à cueillir chaque semaine; il y a de 27 à 40 % plus d'autos par ménage; et elles ont soit plus d'espaces de stationnement qu'il n'est nécessaire ou juste un peu moins que le nombre requis pour les véhicules supplémentaires.

En second lieu, l'impact des appartements accessoires sur l'usage de l'infrastructure municipale varie selon le type de municipalité. Par exemple, l'impact sur la plupart des éléments de l'infrastructure examinés dans notre étude est moins prononcé dans la

municipalité à centre-ville qu'en périphérie. Même s'il nous a été impossible de mener l'enquête dans une proche banlieue, il est raisonnable de présumer que les modes de consommation des résidents se situeraient quelque part entre ceux d'une municipalité à centre-ville et ceux d'une périphérie.

Évaluation d'autres approches

En évaluant différentes approches de facturation pour les appartements accessoires, il importe de noter qu'il n'existe pas de quartier typique. Chaque collectivité est différente, et il incombe à chaque municipalité de déterminer l'approche la plus raisonnable, compte tenu des circonstances locales.

On recommande aux municipalités de tenir compte des faits suivants pour déterminer s'il y a lieu ou non de facturer :

1. Considérations de politiques. Les municipalités souhaiteront peut-être envisager dans quelle mesure elles souhaitent favoriser les appartements accessoires comme un moyen d'atteindre les objectifs en matière de logements abordables et d'autres objectifs de politique.
2. Considérations administratives. Un autre problème est de déterminer si elles souhaitent assumer les responsabilités administratives supplémentaires nécessaires à la facturation des appartements accessoires.
3. Considérations démographiques. Les municipalités souhaiteront peut-être baser leur décision de facturer ou non des services aux appartements accessoires, en se basant sur leur démographie. Cette analyse les aiderait à déterminer dans quelle mesure les appartements sont susceptibles d'avoir un impact sur l'infrastructure et les services municipaux, et contribuerait à établir des tarifs appropriés ou équitables. Voici les facteurs dont il faudrait tenir compte :

- changements dans la population;
- changement dans le nombre de ménages;
- taille moyenne des ménages;
- proportion de la population constituée par les moins de 18 ans;
- moyenne d'enfants par famille.

Si l'on décide de facturer les maisons avec appartement, l'étape suivante consiste à déterminer quel montant est juste et raisonnable.

1. Frais basés sur l'utilisation. Les municipalités souhaitant recouvrer les coûts des services municipaux associés aux appartements accessoires envisageront peut-être de facturer tous les ménages selon la consommation ou l'usage. C'est une approche idéale, car il est clair que tous les ménages paieraient « leur juste part », que leur maison compte ou non un appartement. En outre, cette approche élimine la nécessité de distinguer entre les maisons avec et sans appartement.
2. Frais unitaires. Si les municipalités optent pour une facturation unitaire de services municipaux comme l'aqueduc, les égouts et la collecte des ordures, selon

notre étude, il semble que le tarif pour les appartements accessoires devrait être inférieur à celui qui s'appliquerait à des maisons unifamiliales. Selon les résultats de l'analyse démographique et de l'enquête, l'impact des appartements accessoires est susceptible de varier considérablement, selon le type de municipalité, comme suit :

- **Municipalités à centre-ville** : vraisemblablement un impact minimal
- **Proches banlieues** : impact sans doute supérieur à celui sur la municipalité à centre-ville, mais inférieur à celui sur une nouvelle périphérie en aménagement.
- **Nouvelles périphéries en aménagement** : sans doute le plus gros impact.

Un plus grand nombre d'études empiriques s'imposent, surtout pour les municipalités de proche banlieue. Il faudrait accroître l'échantillon de quartiers pour veiller à ce que les résultats soient typiques de la municipalité et pour confirmer ces conclusions préliminaires. Il est recommandé de réexaminer avec le temps les conclusions sur différents types de municipalités, à mesure que les quartiers changent et se densifient.

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1 Introduction

1.1 Background and purpose

Municipalities are increasingly relying on user fees as a way to generate revenue. In British Columbia, municipalities are applying this approach to secondary suites and are introducing utility fees and other charges for municipal services related to both legal and illegal suites. A 1999 survey of 13 BC municipalities found that 12 were imposing user fees on homes with secondary suites, compared to only 3 in 1995. This is in response to a perception that suites place an additional burden on municipal infrastructure. Others believe the impetus arises from the need for municipalities to seek additional revenues from sources other than property taxes. Neighbourhood residents say that homes with suites are not paying their fair share for municipal services; tenants groups view the fees as a threat to the affordability of these homes; and owners of homes with secondary suites object to these fees on the grounds that they are unfair because they don't reflect the reality of service use. In addition to the debate about whether fees should be charged at all, there is also concern about how these charges are being calculated for secondary suites and whether they are being assessed equitably. This study examines the impact of secondary suites on municipal infrastructure, based on the existing literature and a case study approach. The case studies provide empirical data on the use of municipal services by homes with and without suites.

1.2 Scope and objectives

This research is limited to the effects of secondary suites on municipal water, sewer, and garbage collection. The rationale for this focus is the current trend to charge for these specific services. While recognizing that other municipal services, such as recreation, libraries, parks, roads and schools, are also of concern to local residents and municipal governments, they are nonetheless outside the scope of this research. Specific objectives for this project are set out below.

1. To investigate and summarize different approaches for determining the municipal fiscal impact (costs and revenues) of secondary suites in established neighbourhoods and new subdivisions, through a literature review and key informant interviews.
2. To analyze the municipal impact of secondary suites on municipal services in established neighbourhoods by reviewing historical demographic data and by comparing the use of municipal services by homes with secondary suites and those without, through a case study approach.
3. To assess alternative approaches for determining the municipal fiscal impact of secondary suites in established neighbourhoods and new subdivisions including:
 - demographic analysis;
 - consumption of services (metering); and
 - unit charges for capital and operating costs (doubling, based on density, or other methods).

1.3 Methodology

The methodology consists of a literature review, case study of three municipalities and an assessment of alternative approaches to identifying, quantifying and pricing the municipal impacts of secondary suites.

1. Literature review

The purpose of this task was to review and summarize what has been written about the impact of secondary suites on municipal infrastructure and services in both established and new neighbourhoods. Specific objectives were to:

- Review reports about the actual impact of secondary suites on municipal water, sewer, and garbage services, with a focus on empirical studies;
- Review related research on who lives in suites; the infrastructure capacity of single family neighbourhoods; the proportion of single family dwellings likely to convert/create secondary suites; and the use/consumption patterns of suite occupants by household type and per capita; and
- Identify different approaches to addressing the fiscal impact of secondary suites on municipal capital and operating costs in both established and new neighbourhoods.

The review focused mainly on Canadian and American sources published within the last 10 years available through the UBC library system. A search was also conducted for published municipal staff reports, and many of these were obtained from ICURR. Several web sites were helpful in locating useful information, including those of the Department of Housing and Urban Development in Washington, and the UBC Centre for Real Estate and Urban Land Economics. A review of the major social science databases failed to locate much that was relevant to this study.

2. Case study of three municipalities

Three municipalities were selected for the case study. The aim was to select municipalities representative of the range of types of municipalities from the older established urban core municipality (Victoria), to the older established inner suburb (North Vancouver), and to the newly developing greenfield type of suburban municipality (Abbotsford). We also sought municipalities where secondary suites are legal, so that survey respondents would be more likely to complete the survey. Municipalities with metered water were preferred, however only Abbotsford and Victoria met this requirement. There were two components to the case study: a demographic analysis and survey of houses with suites and houses without suites. Difficulties with carrying out the survey in the District of North Vancouver meant that only Victoria and Abbotsford were included in this aspect of the case study.

In each case study municipality a single representative neighbourhood was selected for in depth study. These were selected on the basis of having the following characteristics: suites are known to exist in relatively typical concentrations; census information is available for an area approximating the neighbourhood boundaries; and the primary dwelling type is a single-family dwelling. A census tract approximating the boundaries for the selected neighbourhoods was used for the demographic component of the case studies.

The selection of the neighbourhood/census tract was accomplished in conjunction with municipal planning staff for each case study municipality. The possibility that the selected neighbourhoods/census tracts are not representative of the entire municipality would affect the reliability or transferability of results. To address this issue, one could sample a wider variety of census tracts within each type of municipality.

Demographic Analysis

Historical trends in several demographic variables were examined using census data for the three case study neighbourhoods. These variables include population, number of households, average household size and school age children. The earliest published census data was used. For the District of North Vancouver, data was available for the period 1961-1996. The same is generally true for Victoria. For Abbotsford, census data was available starting from 1986.

Survey

The analysis of use of services had two components. A sample survey was conducted to elicit information about the demographic composition of residents living in homes with and without suites, practices regarding lawn watering, use of washing machines and dishwashers, recycling, number of garbage bags/cans, and parking patterns. A copy of the survey is attached as Appendix A. Homes with and without suites are the basic units of analysis. Data on water consumption per house was obtained from municipal records, using addresses of homes with and without suites. Data and results for homes with suites include the occupants and/or utility consumption for the entire house, including the suite.

75 homes with and 75 homes without suites for a total of 150 houses were randomly selected from within the census tract based upon a list of addresses of homes with and without secondary suites provided by each municipality. A letter was sent to these homes to notify them of the upcoming survey and its purpose. Advertisements in local papers also advised of the upcoming survey. Surveys were delivered to selected homes to be self-administered by respondents. Completed surveys were picked up at the door at a prearranged time. Non completions resulted in a new address being added to the list. In Abbotsford, where there is a significant Punjabi speaking population, the survey and letter were translated into Punjabi, and a Punjabi speaker was part of each survey team.

Response rate

House type	Victoria	Abbotsford
With suites	45	53
Without suites	123	74
Total	168	127

In Victoria, we were able to obtain more than 75 responses for homes without suites, which improves the reliability of the data. In both municipalities, fewer than 75 homes with suites were surveyed. This could reflect avoidance or suspicion on part of suite owners to respond, despite the fact that the surveyed homes contained legal suites. Alternatively, this might reflect the fact that there are fewer homes with suites. If those homes with suites that did not complete a questionnaire differ in their composition and use of municipal services compared to those that did complete the survey, the results would be less reliable. However, there is no reason to suspect that is the case.

Water consumption data is based on 100% data i.e. all single family homes within the selected census tract, coded as either with or without suites, and, in the case of Victoria, duplexes. Calendar year 1997 was selected as the period of analysis. While winter consumption data would

have been more desirable to eliminate differences in lot size and lawn watering habits, this was not possible due to billing frequencies.

3. Assessment of alternative approaches to addressing municipal impacts of secondary suites

This step involved identifying and summarizing different municipal approaches and practices regarding charges for secondary suites. Information was collected through key informant interviews with municipal personnel in three municipalities. An assessment of each approach was then conducted based on the information obtained through the literature review and data from the case studies regarding demographics and use of services.

2 Literature review

Much of the Canadian and American literature about secondary suites addresses concerns expressed by the public about this form of housing. It is evident that the public is anxious to ensure that secondary suites do not place a burden on homeowners without suites and that they pay their "fair share" of municipal costs. Some of the public fears are that:

- Single-family neighbourhoods will be overrun by accessory apartment conversion;
- Secondary suites will place additional demands on municipal services and schools;
- Secondary suites create neighbourhood parking problems;
- Households with secondary suites don't pay their fair share of property taxes; and
- Secondary suites will lead to a decrease in property values.

2.1 Benefits of secondary suites

A great deal has been written about the benefits of secondary suites, and this is summarized below. The information is useful in providing some context for the issue of costs.

Benefits to municipalities:

1. **Affordable housing.** Secondary suites can increase the supply of ground-oriented affordable rental housing, often in desirable locations. They provide an efficient way for municipalities to respond to the need for this housing without local government expenditures.
2. **More efficient use of the existing housing stock and municipal services.** This is particularly true in areas where the population is declining as families mature and children leave home. In addition, increasing numbers of homes are being occupied by empty nesters, single persons or other small households and are likely to have unused, surplus space.
3. **Gentle densification.** Secondary suites provide an opportunity for meeting housing needs that is less disruptive and obvious than a new rental apartment building.
4. **Improved maintenance.** Secondary suites may encourage the upkeep of existing housing since:
 - owners have extra income that can be used for maintenance;
 - the need to market the suite may provide owners with an incentive to upgrade the property; and
 - renters may assist elderly owners with maintenance in return for lower rent.
5. **Increased property taxes.** Secondary suites generally increase the value of the home and this increased value generates additional tax revenue.
6. **Efficient development strategy.** Some studies have found that the overall economics of infill housing and conversion are favourable to municipalities (Canadian Urban Institute, 1991).

Other benefits include:

7. Assistance with home ownership. Having a secondary suite generates income, which can help first time home buyers as well as current owners pay their mortgage (Helping households move into home ownership can also help to free up the existing rental stock).
8. Ability to age in place. Secondary suites can help older home owners (empty nesters) remain in their own homes, by providing additional income, security and personal services.
9. Neighbourhood stability. Secondary suites offer alternatives to existing homeowners or renters who may want to remain in the neighbourhood even if existing arrangements are no longer appropriate or affordable.
10. Positive environmental impacts/sustainability¹. Secondary suites are environmentally friendly as they encourage more compact communities which can:
 - Reduce automobile dependency;
 - Make more energy-efficient modes of transportation possible, such as rail or bus;
 - Reduce the costs of recycling and reuse, as well as collection of waste because of shortened transport distances;
 - Reduce demand for materials used for constructing residential neighbourhoods (due to lower average per household residential space); and
 - Result in less household energy use per person since multiple dwelling units can be heated or cooled using less energy per unit of area than other forms of housing (due to fewer exterior walls per unit of floor space) (Canadian Urban Institute, 1991).

2.2 Evidence of municipal impact

2.2.1 Existing vs. new neighbourhoods

Most of the literature on the municipal impact of secondary suites focuses on existing neighbourhoods. Very little has been written about the impact of secondary suites in new neighbourhoods, or about new homes that are specifically designed to contain a "purpose built" suite. Although it is quite possible that these new suites may have a different impact on municipal infrastructure and services than suites in older neighbourhoods, the literature provides little guidance in determining what these differences or different impacts might be.

The City of Scarborough Housing Intensification Study (1991), is one study that does distinguish between secondary suites in existing and new neighbourhoods when considering the impact of basement apartments on schools (see below, section 2.2.3). The City of Vancouver (1988) makes a distinction between secondary suites in Ontario, which usually occur in older houses, and the situation in Vancouver, where new houses are often designed for immediate easy conversion to include a secondary suite. However, the report does not discuss the implications of this difference.

In the U.S., some municipalities attempt to prevent new homes from being designed and marketed as containing accessory by setting a minimum age on the principal unit. Zoning regulations may limit eligibility permits for suite permits to owners of principal units that were

¹ It is recognized that the literature on the benefits of densification/intensification for municipal service provision is relevant to the subject of secondary suites impact on services. However, this was beyond the scope of this report.

built two to five years ago, or before a certain date (Cobb, 1997). For example, zoning guidelines in Montgomery County, Maryland (1984) provide that the existing single-family dwelling must be at least 5 years old (Hare, 1987).

2.2.2 Impact on water and sewer

The literature review did not reveal empirical evidence of actual impacts of secondary suites on municipal infrastructure and services. Either there are no studies, or they have not been published. The most commonly held view is expressed by the City of Halifax Planning Advisory Committee (1988) which states "Accessory apartments are not likely to increase the number of people living in the house beyond the number for which it was originally designed. As a result, there should not generally be a problem from the increased burden on services. In many neighbourhoods household sizes have declined to such an extent that present population is substantially less than in the past, so there is spare capacity in the municipal services".

The Government of Ontario echoes this view in its report, *Apartments in Houses: Municipal Guide* (1994)². In answering the question: "Will the right to add apartments in houses place a strain on local services, such as roads, sewers, water systems, parks, day care facilities and schools?" the government responded that "Adding a second unit does not mean doubling the number of people, the principal determinant of service use. Converted houses tend to have only marginally more people than single unit houses since the households in converted houses tend to be smaller (seniors, singles, single parent families, etc.). Also, in cases where conversions result in an increase in a neighbourhood's population, this increase often offsets population decline caused by the continuing drop in average household size" (Ontario Ministry of Housing, 1994).

The Ontario Ministry of Environment and Energy also indicated that no specific provisions need be made for apartments in houses in calculating water or sewage treatment capacity (Ministry of Housing et al. 1994). It is not known whether the Ministry of Environment and Energy based its opinion on empirical evidence or on the basic "demographics and capacity" argument stated above.

The City of Scarborough study (1991) addressed the issue of the impact of secondary suites on services and commented that many people feel that second units lower the quality of municipal services for other users. However, the report concludes that "we cannot prove this one way or another." As part of the study, service providing departments and agencies were asked for their comments on the effect of second units on the services they provide. They all responded that they cope adequately with present demands, and felt that small additional demands could also be handled.

The report concluded that the impact of secondary suites (basement apartments) should not be a problem because most basement apartments are in areas of the city where the population is declining – often quite sharply. They do not bring the population back up to the earlier high point, and may help to stem the decline in some.

² On July 14, 1994, the apartments in houses provisions of the Residents' Rights Act were proclaimed into law. These provisions allowed owners of detached, semi-detached and row houses to have one self-contained apartment in their house, provided that the unit met Building Code, Fire Code and reasonable planning standards. This legislation was later repealed.

Literature from the U.S. expresses the same opinion. It holds that accessory apartments are not likely to increase the number of people living in a house beyond the number for which it was originally designed (Hedges, Helen 1991). Generally speaking, accessory apartments are likely to appear in neighbourhoods where sizeable homes and a declining population have created an opportunity to rent the excess space. The overall decline in population density that made these units possible also makes it unlikely that demands for city services will rise significantly.

In terms of water usage, Patrick Hare states that water consumption in a neighbourhood probably peaks during the years just before the children of the first homeowners reach their 20s and leave home. The demand for water is unlikely to reach that peak again even with a large number of accessory units. Sewer, water and other fees may not be logical in the case of an accessory apartment that does not add more living space than the home was originally designed to hold (Hare, 1989).

Several municipalities in British Columbia are charging secondary suites for services such as sewer and water. However, there is no empirical evidence that justifies the charges or shows what the actual impacts are of secondary suites. No studies are available to demonstrate that homes with secondary suites actually consume more water than homes without suites.

Municipalities in Ontario have also called for measures to ensure that dwellings with secondary suites pay their share of the tax burden. However, there is no information that demonstrates what this fair share should be, based on actual financial impacts of secondary suites.

2.2.3 Impact on schools

There is no empirical evidence that secondary suites place an additional burden on schools. Again, the literature puts forth the argument that suites should not place a burden on schools in existing neighbourhoods that have experienced a decline in population. These schools have most likely experienced a decline in school enrollment (Scarborough, 1991). In addition, secondary suites are unlikely to attract many families with school-aged children.

It is possible that the situation could be different in newer areas that have not experienced a decline in population, and where schools are at capacity. The City of Scarborough noted that basement apartments could contribute to overcrowding in schools in newer neighbourhoods. However, the City believes that these are areas with fewer basement apartments.

Communities in the U.S. have also expressed concern that accessory apartments may create an additional teaching burden on schools. However, the reports conclude that because of their smaller size, accessory apartments are unlikely to attract many families with schoolchildren. In fact, it is probable that many units will be occupied by elderly persons who already reside in the community (Hodges, 1983). In any case, neighbourhoods might even welcome more school-aged children as enrollments decline and schools are threatened with being closed (Hedges, 1991).

2.2.4 Impact on parking

It would appear that the issue of parking for secondary suites is not as much a problem as people fear. One study in Metropolitan Toronto focused on parking and secondary suites and found that "in almost every study area surveyed, however, with the exception of one, there were more than enough spaces available on-site to accommodate the number of vehicles that actually existed in

the areas" (Marshall Macklin Monaghan 1987). This study also tried to determine whether parking requirements associated with converted units (i.e. suites) were different from homes without secondary suites. It concluded that:

- There was no clear relationship between the degree of intensification in an area and the number of cars per building;
- Areas that are well served by public transit generally have fewer cars per occupied unit;
- Economic factors such as income may affect the likelihood of car ownership;
- Vehicle ownership for those over the age of 65 was marginally lower than for those under 65; and
- Smaller living units such as rooms and bachelor units generate fewer vehicles per unit than larger units.

The study also showed those secondary suites with 2 or fewer bedrooms averaged less than one car per unit. Larger units with 3 or more bedrooms averaged 1.5 cars per unit. However, only 6% of the units were this size.

The Ontario Ministry of Municipal Affairs (1992) reported that people in duplexes tend to own fewer cars, on average, than people who live in single detached houses. Owner occupied houses have an average of 1.32 cars. The number of cars in duplexes with both owned and rented units indicates that the average number of cars is 1.76 – less than double the rate for single detached houses.

The City of North Vancouver (1990) found that 94% of secondary suite tenants owned at least one car. While most tenants owned only one car, the average number of cars per suite reported by tenants was 1.5. The average total number of cars in homes with suites, combining both tenants and homeowners, was 2.5 cars. This is significantly more than the 1.76 average reported in Ontario.

An evaluation of secondary suites created under the Double Unit Occupancy Program in San Francisco found that, on average, tenants living in units averaged 1.3 cars per household. An independent survey found that 67% of the units surveyed had one car, 23% had 2 cars, and 8% had no cars at all (San Francisco Development Fund et.al. 1988).

NUMBER OF VEHICLES			
Location of study	Owner occupied homes Without a suite	Homes with a suite	Suites only
Ontario	1.32	1.76	Less than 1 ³
North Vancouver		2.5	1.5
San Francisco			1.3

The City of Scarborough (1991) comments that parking problems are also "grown-up family" problems. Older children in a family may own a car, and in many families both husband and wife have a car. The City cites figures that show there are many households with 2 or more cars and 3 or more cars. These numbers need to be considered when thinking about the relative impact of parking arising from secondary suites.

³ Units with 2 or fewer bedrooms.

2.3 *Impact of suites based on demographics*

This part of the literature review examines the demographic research as it relates to the impact of secondary suites on municipal infrastructure and services. Almost all the research relates to older communities that have experienced a decline in population. There is almost no literature on secondary suites in newer subdivisions.

2.3.1 Decline in population and impact on infrastructure capacity

According to the reports reviewed, in areas experiencing a decline in population, secondary suites would not place an extra burden on the municipal infrastructure and services beyond the original design capacity. There should be plenty of excess capacity. In addition, schools, parks and commercial areas that were developed in these areas are under used. Secondary suites are seen as a way to make more efficient use of the existing housing stock and municipal infrastructure (Richard Drdla Associates and Starr Group 1988, Regional Real Estate Consultants 1990). This argument may not hold true for other types of communities, such as newer subdivisions. However, there is no literature on this point. There is no discussion of the impact of secondary suites in communities that have not experienced a decline in population or where there are significant numbers of families with children.

The Scarborough study (1991) noted that areas most likely to experience conversion were those which had lost population over the last twenty years. Intensification, including secondary suites, is seen as a means for introducing people back into these neighbourhoods, and providing better support for these services and facilities. The likely number of conversions would scarcely begin to bring the population back to its 1971 level. Indeed, the Minnesota Housing Finance Agency studied the feasibility of introducing a loan program to encourage the creation of secondary suites. The objectives were to increase the supply of affordable rental housing; make more efficient use of the existing housing stock and community investments and thereby reduce the amount of capital required to meet housing needs; and make it possible for more younger households to become home owners (Lukermann et.al., 1982).

2.3.2 Household composition and impact on infrastructure capacity

The literature also shows a definite trend towards smaller households in both Canada and the U.S. since the 1960s. For example, in Ontario, the average household size declined from 3.7 persons per household in 1961 to 2.8 in 1981 and 2.7 in 1991. The figure is expected to decline further to 2.6 by the year 2001. The decreasing household size is attributed to family households having fewer children and an aging population resulting in an increased number of empty nesters. As a result, there are more houses with extra space. The number of 1-person households with 5 or more rooms (not counting bathrooms, hallways or vestibules) increased by 151% between 1971 and 1986. The number of 2 person households with 6 or more rooms increased by 132%, and the number of 3 person households with 7 or more rooms increased by 159% over the same period. According to the Ontario Ministry of Municipal Affairs, the implications of smaller households is that municipal services (e.g. water systems, parks and schools), built to accommodate the local population may no longer be used to full capacity, and the impact of apartments in houses on municipal services should be minimal (Ontario Ministry of Municipal Affairs 1992).

There is no discussion of the impact of secondary suites in communities where households may be generally larger than average.

A similar trend regarding household size has been observed in the United States. The number of persons per household fell from an average of 3.37 persons in 1950 to 2.75 in 1980, and to an all time low of 2.66 persons in 1987 (Wentz and Irwin, 1981, and Pollak, 1994). This decline was due primarily to dramatic increases in 1 and 2 person households. These demographics have important implications for housing demand, both in terms of the size of house that is needed, and the amount of housing that people can afford. In addition, it has been estimated that between 12 and 18 million housing units in the U.S. have surplus space.

An empty nester boom has followed the baby boom, and in the U.S., the elderly own a large amount of underutilized housing (Hare, 1989, Howe, 1990, and Gellen, 1985). Census data show that the vast majority of older Americans live at home in the community. Repeatedly, research surveys have shown that these households want to remain in their homes and age in place. Often, these households have incomes below the poverty level. They have no alternative to the family home that for them is both too large and too expensive. In some areas, there is no market for the old family home. Second units are often appropriate for these households, and can provide many benefits (Pollak, 1994).

2.3.3 Who lives in secondary suites

Most of the literature shows that secondary suites tend to be occupied by small households, including mostly single persons or two adults without children. It is therefore assumed that the increased population that would result from secondary suites would be small, and hence, would not have much impact on municipal services or infrastructure.

For example, a study commissioned by the City of North Vancouver in 1990 found that the majority of tenants (64%) were single persons or 2 adults sharing a suite. Only 36% of the tenants had children. Twenty-four percent of the tenants had only one child. The average number of children under 19 years old per tenant household was 1.3 children. At the time of the survey, 1 person occupied most of the suites (53%) and 2-person households occupied 34%. The rest ranged from 3 persons to one household with 6 persons. It is also important to note that owner households were also more likely to be households without children. A combined proportion of 54% of owners was single, couples without children or 2 or more adults living together. This shows that not only did small households occupy the secondary suites, but the rest of the house also had few occupants.

The Ontario Ministry of Municipal Affairs (1992) reported on a study in the City of Toronto that found that the majority of existing apartments in houses (73%) had only 1 or 2 tenants. As well, these apartments tended to be occupied by households less likely to have children. The average number of children (between 0-18 years of age) in owned single detached houses was .8. Households in rented 1 and 2 bedroom duplexes had an average of .3 children. The Toronto study also showed that most of the apartments in houses are smaller (e.g. 81% of the units had only 1 or 2 bedrooms). It was concluded that because these units tend to be smaller and to attract small households, apartments in houses should not result in overloading municipal water and sewage systems. They would also have a minimal impact on schools and day care centres, which is a key point given that half of local tax bills typically go to providing school services (Ministry of Municipal Affairs and Housing, 1992).

In St. John's, it would appear that household size is somewhat larger in secondary suites as well as single family dwellings. In single family dwellings, household size for homeowners typically

ranged from 2-5 persons (91%), with almost one third of homes occupied by 4 people. Household size for owners/occupants of single detached houses with an accessory apartment is typically between 2-4 people. More than half (58%) of the total CMA had two adults with one or more children.

Household size of renters in owner-occupied houses generally ranged from 1-3 persons, with 43% reporting a household size of 2. Almost one third (31.3%) reported that their household consisted of a married couple with no children. Single parent households were also prevalent as occupants of basement apartments (Research Associates, 1992).

Another issue regarding the impact of secondary suites is raised in the City of Scarborough report (1991), which notes that permitting second units is consistent with existing policy that permits up to 2 roomers or boarders to live in a house. The only difference is that creating the suite allows the roomers or boarders to live in a separate dwelling unit. All that is added are kitchen facilities. On average, the total number of occupants in the home remains the same. The same services are consumed and the same number of cars has to be parked.

In the U.S., Gellen (1985) reports that accessory apartments ordinarily provide accommodation for single persons rather than families with children. He states that this presumption is consistent with United States Bureau of the Census *Components of Inventory Change*, which reports on occupants of converted dwellings. It is also consistent with the widely documented growth of single person households prevalent today.

A study of second units created under the Double Unit Opportunity Program in San Francisco found that the average unit had 1.6 occupants. These households tended to be young, earned a modest income, and were prior residents of the community. Their ages ranged from 20 to 60, with most in their twenties and thirties.

The U.S. literature concludes that for these reasons, the effects of increased population density on public facilities such as schools and playgrounds would be negligible. So would the effects on water supply and sewage disposal, although in some cases, increased density might absorb underutilized capacity and allow these services to be provided more efficiently (Gellen, 1985 and Howe, 1990).

2.4 Proportion of homeowners likely to create suites

The proportion of homeowners likely to create suites is a key factor in determining the potential impact of secondary suites on municipal infrastructure and services.

2.4.1 Percentage of homes with suites

Several studies provide estimates of the percentage of homes with suites in various locations. They explain that it is difficult to obtain reliable data on the numbers of suites, however, estimates show the percentage of homes with suites could be as low as 6% and as high as 25% in any one municipality.

A Canadian study reported that, using a variety of estimating techniques, researchers have concluded that between 10 and 20% of single family dwellings in urban North America contain

accessory units⁴ (Regional Real Estate Consultants, 1990). The production of accessory units has tended to peak when prospective and existing homeowners require supplementary income, and when the housing market is unable to satisfy the demand for rental and ownership accommodation.

Other studies provided the following information:

- In the St. John's CMA, almost 5.7% of single detached dwellings in the CMA contain an accessory apartment (Research Associates, 1992);
- The City of North York staff estimate that at least 7% of the single and semi detached homes in the municipality have additional units; (Richard Drdla Associates and Starr Group, 1988);
- East York estimated that 15.6% of single and semi-detached homes and townhouses contained a secondary suite (Malone Given Parsons Ltd., 1991);
- Scarborough estimated that between 10 and 15% of single family homes have secondary suites (Scarborough, 1991);
- Thunder Bay estimated that 10% of its single family detached housing stock in 1981 had converted apartments ((Richard Drdla Associates and Starr Group, 1988)
- The City of Vancouver estimated that there is a suite in every fourth house, although there is considerable variation in the distribution of suites. In some neighbourhoods more than half the homes may have suites. In other neighbourhoods, it is estimated that 10% of homes have suites (City of Vancouver, 1988).

Some of the reports noted above recognized that the estimated figures referred to illegal conversions. It was assumed, however, that legalizing the apartments would not result in significant increases in the number of secondary suites. Municipalities that have legalized conversions in single family areas, including Vancouver, BC; Portland, Oregon; and Babylon, New York; received only a modest number of applications. Most of the initial applications came from those with existing illegal units (Richard Drdla Associates and Starr Group, 1988).

A further complication to estimating the conversion rate is that some of the converted houses will be deconverted to their single family status. After monitoring its housing stock for many years, the City of Toronto found that the housing tenure is always in flux. While many houses are being converted, many others are being deconverted. In some areas, the number of deconversions exceeds the number of conversions (Richard Drdla Associates and Starr Group, 1988).

2.4.2 Likelihood that homeowners will create suites

It is important to determine the percentage of households likely to undertake conversions because a high rate of conversions could have an impact on municipal infrastructure and services. On the other hand, if the percentage of homeowners likely to undertake conversions were small, the impact would be minimal. The literature shows a range in the likelihood of conversions from as low as 3.5% to a high of 19%. It is generally assumed that most homeowners are not interested in converting their house. However, activity is more likely to increase in markets with high or escalating costs for home ownership or rising mortgage interest rates.

⁴ Except in Montreal, where the single family housing stock is limited and additional dwelling units are typically created in owner-occupied duplexes. A strong tradition of rental tenure and widespread multiple dwelling zoning limits pressure on the rental market – therefore, accessory apartments have never been a significant component of the Montreal housing market.

In his 1984 study, *In Your Neighbourhood*, Lewinberg reports on other research in Ontario regarding the attitudes of communities to neighbourhood intensification. Only a relatively small proportion of homeowners would seem to be interested in undertaking a conversion in their homes. Many value excess space and privacy so highly that they are unwilling to consider renting out space to others, regardless of the financial benefits from doing so (Lewinberg Consultants Ltd., 1984).

He also reports that elderly homeowners are the largest group with the potential to convert their houses. According to the literature on housing options for the elderly, it is clear that the economic logic of converting their houses is often overruled by other factors. These include, inconvenience, difficulties with securing financing and otherwise arranging for the construction, fear of incompatible tenants, concerns about security of tenure and landlord and tenant legislation, as well as a host of other psychological factors.

Lewinberg also reports on a survey undertaken in North York, Kingston and Toronto which found that a total of approximately 12% of homeowners interviewed would consider renting out a room or creating a rental apartment in their house. In Toronto, these homeowners were primarily recent buyers or empty nesters, both of whom were in financial need. Those who were interested were motivated by 1) financial considerations - additional revenue and 2) availability of unused space (Lewinberg Consultants Ltd., 1984).

Further research has led to the conclusion that the percentage may have been inflated due to unusually high mortgage interest rates in the early 1980's - almost 20% during part of 1982. More recent evidence concerning willingness to rent out part of a home suggests that the response to this question may be highly variable over time and related to the relative cost of home ownership. For example, a 1985 Ministry of Housing survey indicated that 3.5% of Metro Toronto homeowners would consider renting out part of their home. In 1988, after a period of rapidly escalating house prices, Goldfarb Consultants reported that 19% of homeowners would consider renting out part of their house (Murdie and Northrup, 1990).

Even though people have expressed fears that their communities may be flooded by conversions, studies have confirmed that this is most unlikely, even if the right conditions are created for such neighbourhood intensification (Lewinberg Consultants Ltd., 1984 and Ontario Ministry of Municipal Affairs, 1992). For example, the City of Etobicoke estimated a conversion rate of 5-10% over 10-15 years, amounting to 175-350 new units per year until 2001 (Richard Drdla Associates and Starr Group, 1988).

Literature from the U.S. supports the view that conversions are likely to take place on a limited scale. The Municipal Research & Services Centre of Washington (1992) reported that although opposition groups often express concern that single-family neighbourhoods will be overrun by accessory apartment conversions, studies done in cities which have allowed accessory units show that the actual number of conversions has been relatively small. For example, Patrick Hare reports that a questionnaire sent out to over 100 communities in the U.S. known to permit accessory suites found that "the estimated number of new units installed in 47 communities was 6,154, or 131 units per community."⁵ Most of these were installed since 1982 (Hare, 1990).

In 1982, the California legislature responded to the lack of affordable housing by passing SB 1534 (known as the "Mello" bill). This legislation required local governments to adopt their own

⁵ It is not known if this refers to legal suites only or all suites.

second unit ordinance or adhere to the development standards in the bill. The Mello bill created a flurry of activity as communities drafted debated and adopted second unit ordinances. In some cases, there was opposition to ordinances as neighbourhood groups expressed fears about higher densities, added noise, parking problems and changes to the family character of the neighbourhood. It is important to note, however, that by 1985 very few second units had been built, even with the new ordinances (San Francisco Development Fund et. al., 1988).

The San Francisco Development Fund reported that "despite their presumed advantages, most homeowners, including those who support second units, do not build them. Most homeowners simply do not have a strong need for a unit. Without a strong need, there is little motivation to go through the time-consuming and costly development process. Thus, neighbours have little reason to fear that many homeowners will build a unit, even in areas where the development process is relatively simple" (San Francisco Development Fund et. al., 1988).

2.4.3 Likely location for conversions

Only one study attempted to distinguish between different types of neighbourhoods and discussed the types of neighbourhoods where conversions are likely to take place (Lewinberg Consultants Ltd., 1984). It provides a useful framework for analyzing and discussing the impact of secondary suites.

- 1 The inner city. The report concluded that very little intensification activity is likely to occur in the inner city. These areas are more likely to experience continued gentrification and deconversion of existing multi-family homes into single family homes. However, a limited number of conversions might occur when property values begin to escalate and the conversion of a larger house will support luxury self-contained units.

When gentrification is in its early stages, the initial cost of the houses encourages deconversion rather than subdivision into a number of units. Once the neighbourhood becomes established as a high income neighbourhood, a conversion could become a good way to accommodate those who can no longer find or afford an entire house in the neighbourhood.

- 2 Older working class stable neighbourhoods. These areas usually contain a substantial number of existing houses with secondary suites and will continue to be prime targets for more conversions. They contain the greatest proportion of households who are likely to be facing financial difficulties and who would rent out part of their houses for additional income.

These neighbourhoods contain a sizeable proportion of elderly people who have lived in the neighbourhood for a considerable time and may be faced with severe financial problems after retirement. In many cases, the house is their only asset. A secondary suite could be a way to obtain revenue and help them remain in their house and neighbourhood.

- 3 Older middle and upper income neighbourhoods. The relative affluence of these neighbourhoods usually means that there has been little pressure for undertaking conversions. However, the high proportion of elderly people means that there is potential for change in these neighbourhoods as it does in others.

- 4 The suburban neighbourhood. Although the physical potential for additional units through conversions in single family dwellings exists in suburban locations, there is reluctance on the part of many homeowners. The middle and upper income suburbs are in the same position as older middle and upper income neighbourhoods.

Under the right conditions, conversions are likely to occur for reasons to do with the composition of the population, i.e. the high proportion of elderly homeowners. Also, the design of many of the homes, with a finished basement and side entrance, easily lend themselves to conversion without much additional investment. However, the conversions undertaken in most suburban neighbourhoods are unlikely to constitute any threat through numbers alone.

- 5 The moderate income suburbs already contain many illegal conversions and are likely to experience more conversions than those that are middle and upper income. The demand for converted units in the suburbs will also be somewhat restricted because of the limited attractiveness of such units for many tenants. Tenants of such units often rely on public transit for transportation and many suburban locations are not yet well enough served by public transit to attract tenants who do not own cars.

It is recognized that the applicability of the Lewinburg assessment above will depend on specific local market conditions.

2.5 Approaches to capturing suite impacts on municipal capital and operating costs

This section describes what is said in the literature about different approaches that could be used or are being used to address the perceived impacts of secondary suites on municipal infrastructure and services.

2.5.1 Property taxes

Property taxes are the traditional and major source of revenue to municipal governments in Canada. This source of revenue has not grown rapidly, but is a key component of local public finance (Kitchen and Slack, 1993).

Literature from municipalities in both Ontario and British Columbia report that a common theme raised by the public when addressing the issue of secondary suites is that "everybody should pay their fair share of taxes". Several reports record community concerns that homeowners with suites are not paying their fair share of property taxes, while they may be using more community services such as water and garbage collection (Community Resource Associates, 1991 and Secondary Suites Working Committee, 1994). However, based on the literature review, there are no studies regarding what a "fair share" might be based on actual financial impacts.

In addressing the issue of property taxes, the City of Scarborough (1991) recommended that:

- All second units should be assessed for property taxes; and
- The Assessment Act should be amended to provide that when assessments are established for houses with second units, they should be compared with other houses with second units.

The City of Scarborough also recommended (1991) imposing taxes on absentee-owned units. It was noted that absentee-owned houses with second units generate income and are in some respects a "business" for their owners, just like rental apartment buildings. It would, therefore, be consistent when assessing absentee-owned houses with second units, to compare them with rental apartments.

The Government of Ontario addressed the issue of property taxes in its guide to support its apartments in housing legislation. In answering the question: "Will legal apartments in houses pay their way in terms of municipal taxes?" The government responded that adding a legal apartment may result in a moderate increase in a house's assessed value, which is what property taxes are based on. Home improvements are tracked through building permits and the re-assessment process. When units are upgraded legally, local assessors are notified through the building permit process and a reassessment may occur (Ontario Ministry of Housing et. al., 1994).

In the U.S., Patrick Hare noted that although homeowners should expect an increase in their property tax, the amount should not be that great. A survey of towns with accessory apartments, by city planner Rita Calvan, supported the idea that property tax increases for homes with accessory apartments are generally small. "Respondents reported a dollar increase of between \$15 and \$700, with the average being \$24" (Hare and Ostler, 1987).

2.5.2 User fees

User fees are charged by municipalities for a number of services such as water, sewers, transit, recreational facilities, homes for the aged and other services. They are the fastest growing source of revenue for municipalities in Canada. Given the pressure to keep property taxes down, it is expected that user fees will increase in importance in the future. They are still relatively small in comparison to taxes and transfers, but have been growing rapidly, especially in Vancouver and Halifax (Kitchen and Slack, 1993).

In BC, a survey of 13 municipalities found that 12 of them were imposing additional user fees on homes with secondary suites for sewer and water. This was an increase from 1995 when only three of these municipalities were charging utility fees. Seven of the municipalities are charging for garbage and recycling services, and additional fees are being collected for licensing, rezoning and registration of suites.⁶

In municipalities where water is metered, there is no need for communities to be concerned about charging secondary suites for services. The homeowner will be charged for the actual amount of water used by the home. A study done in 1989 by the Canadian Waterworks Association, which involved a survey of municipalities with populations greater than 1,000, found that, 27% of municipalities were fully metered, 21% were partially metered, and 52% were not metered at all (REIC Consulting Ltd., 1993).

There is very little written about charging secondary suites for sewer and water in the U.S. This does not appear to be an issue. It may be that municipalities are charging for these services, municipalities may not think there is any impact (based on the argument that the same number of people are living in the house as before the conversion), or homes may be metered. In some areas of the U.S., each housing unit is required to have its own utility meter, and separate meters must

⁶ Based on unpublished data from the Ministry of Municipal Affairs, Reg Faubert, May 1999.

also be installed for secondary suites. Some communities also require a separate sewer hookup for secondary suites and charge a fee - often a very high one (Hare and Ostler, 1987).

2.5.3 Development Cost Charges (DCCs)

Municipalities are increasingly turning to the private sector to pay for needed infrastructure, especially in new developments. In BC, Alberta and Ontario, municipalities are permitted to levy development cost charges on developers of new developments (Kitchen and Slack, 1993).

These charges (also known as lot levies, impact fees and development charges) are charges per lot or per acre imposed on developers to finance the off-site costs of development. They have existed for a long time, but have increased in magnitude significantly during the 1980s. Initially, they were used to finance the "hard" services such as trunk mains, sewage treatment plants, and roads. More recently, they are being used to finance the capital costs of city halls, recreation centres, libraries and even schools (in Ontario only).

DCCs are paid initially by the developer/builder but are usually passed on to new home buyers. It is somewhat like a pre-paid property tax. For example, with property taxes, the municipality borrows funds to pay for infrastructure and then passes the costs of the services (including borrowing costs) on to residents in their property taxes. With DCCs, the developer pays the development charge up front using borrowed funds (or equity) to finance the cost of services, and then passes the charge onto the homeowners. DCCs are borne by new homebuyers - not existing residents. If funds are borrowed to pay for infrastructure and paid back out of future property taxes, all taxpayers in the municipality bear the burden (Kitchen and Slack, 1993).

The City of Scarborough (1991) recommended that municipalities should be able to levy development charges on second units in homes. This was based on the rationale that new units in infill development or redevelopment are required to pay development charges to account for their "share" of the capital costs of new services. The charges apply even in older neighbourhoods with declining population. It was felt that it would be "fair" if second units also pay such charges, since second units "can have the same impact on demand for parks, libraries, and similar services as new units in an infill house or apartment building just down the street". It is important to note however, that staff could not identify any areas of the City where sewer capacity would be exceeded by the installation of second units.

The Government of Ontario's position was that development charges should not apply in the case of existing houses. Municipalities were prohibited from imposing development charges on the 1st apartment added to a semi-detached or row house and to the 1st and 2nd apartment added to a detached house. However, the Development Charges Act did give municipalities the power to impose a charge on an apartment installed at the time a house is constructed. The amount would have to be justified on the grounds of service usage (Ontario Ministry of Municipal Affairs, 1992).

In British Columbia, the *Best Practices Guide for DCCs* does not address the issue of charging for secondary suites in new subdivisions, even if these suites were "purpose built". It is clear, however, that DCCs would not apply to a homeowner installing a suite since buildings with less than four units are exempt from DCCs (B.C. Ministry of Municipal Affairs and Housing, 1997).

The UDI Pacific, Kelowna Chapter⁷ considered the issue of DCCs and secondary suites. It has expressed the opinion that it is inequitable if DCCs are not charged for secondary suites because the owners/developers units would not be paying their fair share of growth expenses. This could result in under-achieved DCC funds and delayed infrastructure without a delay in citizen demand for services. Municipalities may need to cover these costs from General Revenues. On the other hand, if DCCs are charged, the owner/developer may abandon the suite or not seek approval and create an illegal unit.

The Kelowna Chapter has proposed the creation of a Specified Area By-Law as part of the secondary suite approval process. The equivalent of a DCC allocation, plus administration costs, would be charged to the property with a 20 year collection term. The resident of the suite would pay the charge as part of his rent to the owner. The owner would pay the annual charge as part of the property taxes. The owner would be able to benefit from a business tax deduction for the charge and a portion of the property tax attributable to the secondary suite. It was noted that this proposal may require an amendment to the Municipal Act in B.C.

⁷ Based on information available through the internet and conversations with members of the UDI Pacific, Kelowna Chapter.

3 Case studies

The case study municipalities are presented and described followed by an analysis of demographics and the survey results.

3.1 Overview of Municipalities

The following section provides a brief overview of the three case study municipalities.

Table 1: Case Study Municipalities

	City of Victoria	District of North Vancouver	City of Abbotsford
1996 Population	73,504	80,418	105,403
Growth rate 1991 – 1996	3%	7%	21%
1996 population density	3910 pl/sq.km	498 pl/sq.km	307 pl/sq.km*
Type of municipality	"Urban core"	"Inner suburb"	"Outer suburb"
Median detached house price Sept. 98	\$183,000*	\$356,790	\$199,093
Single family housing starts			
Jan – Aug 97	26 units	67 units	363 units
Jan – Aug 98	23 units	42 units	294 units

* October 1998

Source: Statistics Canada. 1996 Census. Real Estate Boards of Greater Vancouver, Victoria and Fraser Valley and CMHC Vancouver and Victoria.

3.1.1 Victoria

The City of Victoria, capital of the province of British Columbia is situated on the southern tip of Vancouver Island. The city's population stood at almost 74,000 persons in 1996, an increase of 3% from 1991. Victoria has the highest population density of the three municipalities included in this study (3910 pl/sq.km). A large proportion (over 70 percent) of the city's housing stock is units in apartment buildings, compared to 32% for the province. It is thus classified as an urban core municipality for the purposes of this study. The city is the core of a large rapidly growing regional municipality of almost 320,000 people called the Capital Regional District. This region includes Saanich, Oak Bay, Esquimalt, and other municipalities on the Saanich peninsula and the Gulf Islands.

The City began in 1843 as a Hudson Bay Company trading post named in honour of Queen Victoria. Victoria grew rapidly as the main port of entry to the colonies of Vancouver Island and BC for the Fraser Valley gold rush. Most of Victoria's residential neighbourhoods were constructed at the boom coincident with the turn of the century between 1900 and 1913.

* Based on gross land area. The municipality, unlike other suburban areas, has an urban core and a large portion of its land base is outside the urban development boundary.

Victoria is known for its moderate climate, scenic setting, comfortable quality of life, British heritage, fine homes and neighbourhoods. The city has a relatively large proportion of its population over age 65 (21 percent) and fewer children. Today, its major industries are government, tourism, defence, forestry, manufacturing and warehousing.

Victoria had over 38,000 dwelling units according to the 1996 census, a large proportion of which is rented (63 percent). The median selling price for single family dwellings is \$183,000, just below the City of Abbotsford. Most single family residential development is occurring as infill in developed neighbourhoods, including Fairfield, the case study neighbourhood. New multi-family housing development is also occurring in former industrial areas, such as Selkirk and Harris Green.

The Capital Regional District supplies water to the City, which is then responsible for distribution and administration of the water supply system. Water is metered, and residents are charged according to their water consumption. There is also a service charge for water, which is a flat rate charged to all homes. The service charge is based on the size of service the home is connected to. Households are also charged for sewer usage, based on their water consumption. Single family homes are billed for 1 can of garbage per week, paying \$154 per year for this service. Homes with legal suites or duplexes are charged for two cans. There is an additional charge of \$3.25 for each extra bag. The city also provides a recycling service.

3.1.2 District of North Vancouver

The District of North Vancouver is located on the north shore of Burrard Inlet, north of downtown Vancouver. It is classed as an inner suburb for the purposes of this study, with a population density of 498 people per sq. km.

The District of North Vancouver was officially incorporated in 1891, however it originally included West Vancouver and the City of North Vancouver. Settlement in Lynn Valley and Lower Capilano began in earnest during the early 1900s. In 1907 the City of North Vancouver was incorporated as a separate municipality. After incorporation, Lynn Valley became the central community and business area in the District of North Vancouver. Housing construction occurred over time, leading to a great variety in the age of Lynn Valley housing stock. Much of the earlier housing is being renovated and upgraded, with some new construction to replace older homes.

In 1996 the District's population stood at 80,418 persons. This compares to a 1991 population of 75,157 for an increase of 7 percent over five years. Growth has slowed since the previous 5 year period when the District's population increased by 10%. The District's residential areas consisted of 27,962 housing units in 1996. Houses prices are relatively high compared to Abbotsford. Median detached house prices stood at \$356,790 in Sept. 1998.

Most new residential growth is occurring in the area east of the Seymour River. The western portions of the District, including Lynn Valley, are expected to grow at a modest rate through redevelopment and infill housing. The municipality had 42 detached housing starts in the first six months of 1998, compared to 67 starts a year earlier.

The District of North Vancouver provides water, sanitary sewer and waste disposal services (including recycling) to its residents. Residents receive a property tax bill each year that includes all services except water. For water, the District charges an additional amount on the annual

property tax bill. In 1998 this was \$272.22 per unit for a single family residence. However, this is not based on consumption, as the District is not metered for water. Garbage collection is limited to three cans per household and residents may purchase stickers at \$2 per sticker allowing excess garbage to be disposed. There are no separate provisions for secondary suites.

3.1.3 Abbotsford

The City of Abbotsford lies in the Fraser Valley 72 km east of Vancouver. It serves as the regional centre for the Fraser Valley. For the purposes of this study, Abbotsford is categorized as an outer suburb. Its population density, at 306.5 people per sq km, is the lowest of the three municipalities, however, a large portion of the land area is outside the urban development boundary. It was incorporated in 1995 upon the amalgamation of the former District of Matsqui and Abbotsford. The City consists of an urban core surrounded by rapidly growing residential suburban areas and Fraser Valley farmland. Many residents commute to centres in Greater Vancouver to work.

Matsqui was incorporated in 1892. Fur trading and the Fraser River Gold rush attracted the first non aboriginal settlers to the area. The case study area, known generally as North Clearbrook, saw most residential development occur after 1981.

Abbotsford is one of the fastest growing Lower Mainland municipalities and in Canada. The City's population stood at 105,403 people in 1996 according to the census. This was up 21% from 86,928 persons in 1991. This followed a period of even greater population growth of 32% between 1986 and 1991.

There were 36,511 dwelling units in Abbotsford in 1996, compared to 29,015 in 1991 an increase of 26 percent. These homes offer lower prices than in neighbouring Surrey and Langley. The 1998 median detached house price was just under \$200,000 (Sept 98). Many new homes are built with suites. The municipality had 294 detached housing starts in the first six months of 1998, compared to 363 starts a year earlier.

Residential buildings in Abbotsford are metered for water, one meter per house, including those homes with secondary suites. Water rates vary depending on location and supplier. In the case study area, known generally as North Clearbrook, water is supplied by the Regional District and the City is responsible for distribution. This includes maintenance of meters, reading meters, and billing. The water meters are read once a year and an amount is charged on the tax bill based on usage. Residences are charged a flat rate of \$68 per year for the first 100 cubic meters, and an additional amount, .37 cents per cu meter, on the remaining consumption. In this way, homes with secondary suites are charged for water consumption based on total usage.

The Abbotsford Sewer District provides sanitary sewer services to the urban area of Abbotsford and for this it charges a sewer utility fee. In North Clearbrook, the sewer use charge is based on a percentage of water consumption. Metered users are charged 51% of their water consumption for sanitary sewer, with a minimum charge of \$55.50. This amount is also charged on the property owner's annual tax bill. All homes, including those with secondary suites, are charged sewer fees based upon total use.

The municipality administers garbage collection for single family residences. Residents receive weekly collection and have a two bag maximum limit. For amounts over the limit, residents may purchase stickers for \$1.50 per sticker. The Blue Bag Curbside Recycling Program initiated in

1994 allows residents to dispose of unlimited recyclables. For these waste disposal services single family residents are charged a \$99/yr utility fee on their tax bill.

Homes with secondary suites are charged an additional infrastructure fee of \$250/year to cover other municipal services, although the specific purpose of these charges is not clear.

3.2 Secondary Suite Policies and Practices

Table 2 summarizes the secondary suite policies and practices of the three case study municipalities.

Table 2: Summary of Secondary Suites Policies and Practices

	City of Victoria	North Vancouver District	City of Abbotsford
Suites legal	✓	✓	✓
Date legalized	1956	Oct 14, 1997	May 6, 1996
Zones permitted	Single family (R1-A and R1-B); and duplex (R-2) residential zones	Single family residential zones	Single family residential zones and rural residential zones
Estimated # of suites	<ul style="list-style-type: none"> • 3400 legal suites estimated • 10% of housing stock 	<ul style="list-style-type: none"> • 2100 - 2700 estimated • estimated 10% of housing stock 	<ul style="list-style-type: none"> • 2400 registered as of June 1998 (5% of housing stock) • estimate 1500 – 2500 unregistered • total estimated 10% of housing stock
Inspection	During construction/conversion through the building permit process and enforcement upon complaint, according to priorities.	During construction, upon valid written complaint or upon request	Upon registration and upon complaint
Licensed	No	No	No
Registered	No	No	<ul style="list-style-type: none"> • Graduated program of voluntary registration • \$550 (one time) registration fee for existing suite • \$250 registration fee for suite in new construction

Conditions for legal suite	<p>For single family zones:</p> <ul style="list-style-type: none"> Built prior to 1970⁹ Min floor area of 500 sq. ft. Parking for 2 cars other than front yard Min landscaping requirements No exterior changes for dormers, decks, and porches. 	<ul style="list-style-type: none"> One additional off street parking space Max size 90 sq. m. or 40% of total floor space Owner occupied One per single family dwelling Suite must meet building code Permitted only in a residential building not accessory building 	<ul style="list-style-type: none"> One additional off street parking space Max size 90 sq. m. or 40% of total floor space Owner occupied One per single family dwelling Suite must meet building code Registration fee Annual infrastructure fee
Secondary Suite Development Cost Charges (DCCs)	Conversions or new construction of 4 residential units or more, including suites, charged DCC on basis of floor area	No DCCs paid on suite	No DCCs paid on suite
Secondary Suite Utility Fees	<ul style="list-style-type: none"> Water metered and sewer charged on basis of water consumption. Secondary suite consumption included in total Annual waste disposal fee of \$154/year charged to single family homes for one garbage bag per week. Homes with suites are charged double. There is an additional charge of \$3.25 for each extra bag. 	Secondary suite water and sewer consumption included in single family dwelling utility charges on tax bill	<ul style="list-style-type: none"> Water metered and sewer charged on basis of water consumption Secondary suite consumption included in total Single family dwellings charged \$99/yr on tax bill for waste disposal Annual infrastructure fee for secondary suites \$250 with tax bill

Source: City of Abbotsford, Development Services Dept. Memorandum, October 31, 1997. District of North Vancouver, Secondary Suites Bulletin, Dec 15, 1997 and Report to Council, November 12, 1996. City of Victoria "Add a Suite in Your House" pamphlet, and City staff.

⁹ Intended to prevent new purpose built homes with secondary suites.

3.3 Profile of Three Census Tracts

Table 3 displays some current demographic and other characteristics of the selected census tract in each municipality. The data paints a picture of three quite distinct single family neighbourhoods. The census tracts are distinguished by differences in: population growth; household size, period of house construction, proportion of school-aged children, and average lot size. The Victoria census tract has a relatively stable population, fewer people per household, an older and smaller housing stock, and fewer children proportionally. The outer suburban neighbourhood, in Abbotsford, has experienced a rapid population growth rate in the last 5 years, larger average household size, more multi-family households, newer houses, proportionally more school age children, and a smaller average lot size than does the District of North Vancouver. Most of the houses in the North Vancouver census tract had been built before residential development began in the Abbotsford neighbourhood in the 1980s.

Table 3: Current Profile of Three Census Tracts

Characteristic	CT 001 Victoria	CT 114 North Vancouver	CT 009 Abbotsford
1996 Population	3042	8,002	12,125
1991 Population	3022	7,639	9,375
Population change 1991-1996	0.7%	4.8%	29.3%
1996 Households	1,370	2,520	3,480 (3,615)**
Average household size	2.2	3.2	3.4
% multiple family households	0.7%	3%	7%
% single detached units	60%	82%	63%
Period of house construction %			
Before 1946	54%	7%	0
1946-1960	26%	15%	0
1961-1970	9%	23%	2%
1971-1980	8%	37%	14%
1981-1990	2%	14%	61%
1991-1996	1%	8%	20%
Average # rooms/dwelling	5.8	7.7	7.2
Average # bedrooms/dwelling	2.2	3.3	3.2
% owned dwellings	66%	86%	74%
% school age children (under 18)	20%	28%	31%
Median age of population	40	34	33

Average lot size**	450 sq. m.	1182 sq. m.	632 sq. m.
Typical house style	1.5 to 2 story heritage style built 1900-13	Split level	2 story and split level

Source: 1996 Census unless otherwise specified.

** Supplied by municipalities.

3.4 Demographic Analysis

The following demographic analysis is concerned with changes in four variables over time: population, number of households, household size, and the number of school aged children per family. Historical data is available only for the older neighbourhoods in North Vancouver and Victoria; data for the Abbotsford census tract is available only for two or three census periods beginning in 1986.

Table 4 below shows historical population trends for the selected neighbourhoods in Victoria and North Vancouver. The Victoria census tract shows an absolute decline in population from 1966 to 1996 overall. In the early years from 1966 to 1981, population declined quite significantly, while from 1986 to 1996 population growth did occur. The net effect over the entire 30-year time frame is a population decline of 9 percent. In Lynn Valley, North Vancouver, population grew a total of 190 percent from 1961 to 1996. Growth was higher in the 1960s and 70s, slowing quite dramatically in the 1980s and 1990s. It did, however, remain positive throughout the period, not showing the decline that the literature predicts for neighbourhoods with secondary suites.

In Abbotsford, the population of Census tract 009 more than doubled in the ten years for which data is available.

Table 4: Population trends

Year	Victoria (001)		N. Van (114)		Abbotsford (009)	
	Number of people	% chg	Number of people	% chg	Number of people	% chg
1961			2764			
1966	3335		3756	35.9%		
1971	3234	-3.0%	4685	24.7%		
1976	3044	-5.9%	6295	34.4%		
1981	2871	-5.7%	6840	8.7%		
1986	2894	0.8%	7374	7.8%	5574	
1991	3022	4.4%	7639	3.6%	9375	68.2%
1996	3042	0.7%	8002	4.8%	12,125	29.3%
1961 to 1996	-293	-9%	5238	190%		117.5% ¹⁰

Source: District of North Vancouver, Census data 1961-1996. Statistics Canada.
Census various years 1966 to 1996.

Table 5 shows that the number of households has risen every year in both municipalities, with much stronger growth reported in North Vancouver particularly in the early part of the period. Overall growth in the number of households in Victoria between 1971 and 1996 was 16% compared to over 160% in North Vancouver.

Note that the definition of household employed by the census would include a secondary suite as a separate household. To the extent that suites are captured by the census, they may partly explain the continued growth in the number of households in established municipalities.

¹⁰ Change from 1986 to 1996 only.

Table 5: Number of households

Year	Victoria (001)		N. Van (114)		Abbotsford (009)	
	Number of households	% chg	Number of households	% chg	Number of households	% chg
1966			954			
1971	1185		1265	32.6%		
1976	1230	3.8%	1785	41.1%		
1981	1275	3.7%	2072	16.1%		
1986	1300	2.0%	2300	11.0%		
1991	1360	4.6%	2415	5.0%	2,780	
1996	1370	0.7%	2520	4.3%	3,480	25.2%
Change	185	16%	1566	164%		

Source: District of North Vancouver. Statistics Canada, Census data 1966-1996.

The data in Table 6 shows the size of all households in these census tracts, including secondary suite households. Overall, Victoria has the smallest average household size today at 2.2 persons per household, compared to 3.4 persons per household in Abbotsford. In the Victoria census tract, average household size declined by 23% from 2.7 in 1971 to 2.2 persons per unit today. Reductions occurred in every period although the largest drops occurred in the 1970s. In the North Vancouver census tract, average household size has also been declining steadily from almost 4 persons per household in 1966 to just over 3 persons per household in 1996. This amounts to a reduction of 24 percent. Interestingly, in North Vancouver, the 1991 to 1996 period shows a small increase in average household size after 25 years of decline. In Abbotsford average household size remained constant between 1991 and 1996.

Table 6: Average household size

Year	Victoria (001)		N. Van (114)		Abbotsford (009)	
	Number of occupants per household	% chg	Number of occupants per household	% chg	Number of occupants per household	% chg
1966			3.9			
1971	2.7		3.7	-5.9%		
1976	2.5	-9.3%	3.5	-4.8%		
1981	2.3	-9.0%	3.3	-7.6%		
1986	2.2	-1.1%	3.2	-1.7%		
1991	2.2	-0.2%	3.2	-1.3%	3.4	
1996	2.2	0	3.2	0.4%	3.4	0
Change		-23%		-24%		0

Source: District of North Vancouver. Statistics Canada, Census data 1966-1996.

Table 7 shows two measures of school age children living in each census tract: the proportion of the total population under age 18, and the average number of children per family. In the two census tracts for which there is sufficient data, both variables show a decline in the number of

young people living there over time. For example, the Victoria census tract begins the period with a smaller proportion of children, and the proportion also declines over time. The average number of children per family declines from 1971 to 1996, but with a slight increase between 1991 and 1996. In the North Vancouver census tract, school age children as a proportion of the total population have declined from almost 44 percent in 1966 to 27% in 1996. The average number of children per family fell throughout most of the period from 2 in 1966 to 1 in 1991. However, between 1991 and 1996 this pattern reversed somewhat showing an increase to 1.3 children per family.

Table 7: School age children

Year	Victoria (001)		N. Van (114)		Abbotsford (009)	
	Proportion of population under 18 yrs	Avg # of children per family	Proportion of population under 18 yrs	Avg # of children per family	Proportion of population under 18 yrs	Avg # of children per family
1966			44%	2.0		
1971	29%	1.1	41%*	1.8		
1976	23%	0.9	35%	1.6		
1981	20%	0.8	35%*	n/a		
1986	21%	0.8	33%**	1.3		
1991	21%	0.8	31%**	1.0	35%	1.3
1996	20%	0.9	28%	1.3	31%	N/a

*under 19 years

** under 20 years

Source: District of North Vancouver. Statistics Canada, Census data 1966-1996.

3.5 Survey Results

The following tables show the results of the survey and water consumption data for Victoria and Abbotsford¹¹.

Table 8: Victoria survey results

Victoria survey results N=168	Houses with suites N=45	Houses without suites N=123	Difference (houses with suites compared to houses without suites)
Percent house size over 2000 sq ft.	64%	44%	45% more
Average number of people living in entire house ¹²	4.0	2.7	48% more
Avg proportion of all residents under 19 yrs	17%	25%	32% less
Average number of children per house	.7	.7	same
Proportion seniors	6%	15%	60% less
Average number of garbage cans per house	1.5	1.1	36% more
Proportion buy stickers	4%	6%	
Average number of vehicles per house	2.1	1.5	40% more
Average number of on site parking spaces per house	1.8	1.5	20% more
% of main households park on street some of the time	33%	43%	23% less
% of tenants households park on street some of the time	73%	N/a	N/a
Avg number of cars parked on street /house	1.5	.5	200% more
Average water consumption per house 1997 ¹³	132.3 cu ft.	98 cu. ft.	35% more

Table 9: Occupants of suites compared to rest of house

Victoria survey results	Secondary suite	Main house with suite	Main house no suite
Length in home	93% under 3 yrs	38% over 10 yrs	57% over 10 yrs
Length in neighbourhood	36% 1 – 3 yrs	47% over 10 yrs	63% over 10 yrs
Average number of residents	1.6	2.4	2.7
Use washing machine	80%	100%	95%

¹¹ The survey was not carried out in the District of North Vancouver due to difficulties in identifying homes with suites.

¹² This is a different measure of average household size than employed in the Census, where a secondary suite is considered a separate household.

¹³ City of Victoria, Utility billing, April 1999.

Have dishwasher	7%	73%	61%
Water lawn/garden regularly	N/a	51%	55%
Wash car regularly	0	13%	13%
Participate in recycling	84%	100%	97%

Table 10: Abbotsford survey results

Abbotsford survey results N=127	Houses with suites N=53	Houses without suites N=74	Difference (houses with suites compared to houses without suites)
House size over 2000 sq ft.	36%	58%	61% smaller
Average number of people living in house	7.3	4.3	70% more
Proportion of all residents under 19 yrs	37%	39%	5% less
Average number of children per house	2.6	1.6	63% more
Average number of garbage cans per house	2.7	1.9	42% more
Proportion buy stickers per house	17%	4%	13% more
Average number of vehicles per house	2.8	2.2	27% more
Average number of on site parking spaces per house	3.8	3.6	6% more
% of main households park on street some of the time	11%	14%	27% less
% of tenant households park on street some of the time	9%	N/a	
Average number of cars parked on street /house	.26	.14	
Average water consumption per house 1997	572.3 cu metres	351.6 cu metres	63% more

Table 11: Occupants of suites compared to rest of house

Abbotsford survey results	Secondary suite	Main house with suite	Main house no suite
Length in home	1- 3 yrs (45%)	4-9 yrs (53%)	Over 10 yrs (38%)
Length in neighbourhood*	N/a	4-9 yrs (53%)	1-3 yrs (34%)
Average number of residents	2.6	4.5	4.3
Use washing machine	38%	92%	96%
Have dishwasher	9%	60%	78%
Water lawn/garden regularly	N/a	77%	76%
Wash car regularly	8%	34%	38%
Participate in recycling	36%	57%	63%

*not asked of tenants in Punjabi survey questionnaire

House size

The survey produced mixed results concerning house size. In Abbotsford houses with suites are smaller (only 36% of houses with suites exceed 2000 sq. ft. while 58% of houses without suites exceed 2000 sq. ft.) In Victoria, houses with suites are somewhat larger. It might be expected that houses with suites are larger, although the literature indicates that it is *excess* space that determines the likelihood of a suite, not absolute house size. The results for Abbotsford could reflect homeowners' lack of familiarity with the floor area of their home and/or different subdivisions with different house models or age of homes.

Number of residents¹⁴

Homes with suites have more residents living in them than those without suites in both case study municipalities. There are 48% more in Victoria and 70% more in Abbotsford. In Victoria, there are fewer residents per house overall. An average of 4 people live in houses with suites compared to 2.7 people living in houses without suites. In Abbotsford, 7.3 people live in houses with suites compared to 4.3 people living in houses without suites. Although houses with suites do not have double the number of residents of those without suites, there are potentially implications for city services.

Number of children

The survey results show that homes with suites have fewer children than houses without suites, 32% and 5% less respectively in Victoria and Abbotsford. This confirms the literature, which argues that suites are less likely to attract families with children, or only occur in neighbourhoods with declining population.

Waste disposal

Homes with suites dispose of more garbage cans or bags on a weekly basis in both Victoria (1.5 cans versus 1.1 cans) and Abbotsford (2.7 cans versus 1.9 cans). This is to be expected given the additional persons living in homes with suites, although recycling habits are a factor. However, the survey also shows that residents of homes with suites are more likely to purchase stickers to permit them to dispose of excess garbage, essentially a user pay system.

Cars and parking

In Victoria, homes with suites possess 40% more vehicles than those without, but that represents only half a car. In Abbotsford, homes with suites possess 27% more vehicles than houses without suites, again representing less than one car.

In Abbotsford the number of on site parking spaces exceeded the number of vehicles for both types of houses, those with and without suites. This was not the case in Victoria where houses with suites had an insufficient number of on site parking spaces to accommodate vehicles (1.8 on site parking spaces compared to 2.1 cars). Houses without suites had the same number of parking spaces as vehicles.

In Victoria, the average number of cars parked on the street per house with suites was 1.5 compared to only .5 for houses without suites, a difference of one car per house. In Abbotsford, few main householders or suite tenants indicated they park on the street, while in Victoria, most of the suite tenants (73%) park on the street.

¹⁴ A table comparing some survey sample and census demographic variables is located in Appendix B.

Water consumption

The data showed only 35% more water consumption in Victoria homes with suites compared to those without and 63% more water consumption in Abbotsford homes with suites compared to those without suites. These results mirror the number of residents per house (i.e. in Abbotsford, 70% more residents, 63% more water consumption). The sewer system would be affected in a similar proportion as water consumption.

Tenants

The average number of tenants living in suites is 2.6 in Abbotsford and 1.6 in Victoria, significantly lower than the number of occupants of the main part of the house, which ranges from 4.5 in Abbotsford to 2.4 in Victoria. In addition, suite tenants are less likely to have access to household appliances than occupants of the main part of the house. This partly explains why consumption patterns differ. For example, only 38% of suite occupants use the household washing machine in Abbotsford compared to 80% in Victoria. Very few suites have a dishwasher: 9% in Abbotsford and 7% in Victoria. Fewer suite tenants wash their car regularly than main house occupants. Tenants are less likely to participate in recycling in Abbotsford, while in Victoria suite tenants participate at almost the same rate as occupants of the main part of the house.

4 Assessment of alternative approaches to addressing the municipal impacts of secondary suites

The purpose of this section is to provide an assessment of different approaches to charging for the municipal impacts of secondary suites based on the case study findings and the literature.

4.1 Charges based on consumption

Description

This approach, which is essentially a user pay system, is applied to water, sewer and waste collection. Under this approach, a municipality may estimate a total budget for its servicing costs, establish a cost (e.g. per cubic meter, per can), and charge households for the actual amount of service used. For water consumption, this approach involves the installation of water meters. It is not necessary to distinguish between homes with suites and homes without. Each home, regardless of whether or not it contains a secondary suite, would be charged for the actual amount of water consumed as is the case in Victoria and Abbotsford¹³. Sewer costs are based on a proportion of the metered water consumption.

Homes may also face additional charges, such as a sewer frontage or parcel tax. These charges are based on the frontage of each home or are determined on a per parcel basis. Revenue may be used for repairs and upgrades to the sewer system (Victoria and Surrey).

Municipalities may also charge for garbage collection based on the number of bags or cans to be picked up.

Discussion

Charging for services based on consumption is an equitable approach, as it is clear that all homes, including homes with suites, would be paying their "fair share". In addition, this eliminates the need to distinguish between homes with suites and homes without. The number of people occupying each home is also not relevant. Homes with suites are not singled out using this approach. In fact, this approach applies equally to other potential uses of the home, for example, home based businesses. Every home would be charged for the amount of water consumed and for related sewer charges regardless of the number of occupants or the use. However, there are costs associated with installing meters in existing homes, which is a deterrent to implementing this approach, and why municipalities have considered other alternatives.

The literature did not specifically address the possibility of charging for municipal services based upon consumption, given the prevailing view that suites do not place a burden on infrastructure beyond the design capacity. In the two case study municipalities that meter for water, consumption closely mirrors the number of residents per household.

No examples of pure consumption-based charges for waste disposal are known. This would mean charging for the actual number of garbage bags or cans disposed, likely through the purchase of stickers. The approach of charging for garbage pick-up based on consumption seems most equitable, but is not currently practised.

¹³ The City of Surrey recently endorsed a water metering implementation strategy for residential properties, acknowledging that the current system of flat fees was inequitable.

4.2 Charges on a per housing unit basis

Description

With this approach, a municipality determines its total budget for the service provided (water, sewer and garbage services), determines the total number of dwelling units in the municipality (including secondary suites), and charges an amount to each unit to cover the costs.

Municipalities may charge secondary suites the same amount charged for single family homes. This means that homes with suites would pay double the amount charged to single family homes. Some municipalities have a reduced rate for secondary suites. For example, Surrey charges secondary suites 80% of the rate for a single family home for all services¹⁶, and Coquitlam charges 40%. Another variation comes from Delta, where the fee for water may be reduced by 50% if only one person is living in the unit. For garbage collection, Delta offers a reduction for recycling costs where there is just one blue box per dwelling. Some municipalities may charge secondary suites the rate applicable to apartment units for garbage collection. In short, there are a range of existing rates, and here appears to be no empirical basis for determining what percentage of costs should be allocated to secondary suites among those cities using this approach.

Discussion

The majority of BC municipalities do not have residential water meters. Therefore, if they wish to charge for secondary suites, they must determine what is a reasonable amount or approach. Should a secondary suite be treated the same way as any other dwelling unit?

The survey results clearly show that in the case study municipalities homes with suites do not consume double the services compared to homes without suites. For example, in Abbotsford, the amount of water consumed was 63% more compared to homes without suites. Homes with suites dispose of more garbage than homes without suites. However, in both Abbotsford and Victoria, this amount was less than 50% (42% in Abbotsford and 36% more in Victoria). Having a suite will not double the number of people living in the home either. In Abbotsford, homes with suites had 70% more people than homes without, compared to 48% more people in Victoria.

These findings indicate that if charges are determined on a per unit basis, the amount for secondary suites should be less than the single-family rate. The case studies provide an empirical basis for determining what a suitable water and sewer charge might be for inner city and outer suburban municipalities like Victoria and Abbotsford. If the case study municipalities were to charge on a per unit basis, Victoria could equitably charge homes with suites 35% more, and Abbotsford could charge 63% more for water and sewer.

4.3 Combination of per housing unit and consumption charges

Description

It is becoming more common for municipalities to charge residents for garbage collection based on a combination of a per housing unit fee and use. For example, if single family homes are billed for 1 can/week, homes with secondary suites would be billed for 2 cans/week. An additional charge would be levied for each extra can. This essentially guarantees a minimum charge, plus consumption based charges for any excess waste disposal. If homes with secondary

¹⁶ The City of Surrey adopted a water metering plan on Nov. 1, 1999.

suites are not identified, they would be billed for only 1 can/week. However, even if the home is not identified as having a suite, and it puts out more than 1 can/week, the additional charges would apply (Victoria).

Discussion

This approach guarantees that homes that produce extra garbage will pay their "fair share" regardless of whether the extra amount is due to a secondary suite or not. In addition, it is not necessary for the municipality to distinguish between homes with and without suites, although this may be done.

This approach is only equitable if homes with suites are producing double the amount of garbage, at minimum. It is used in Victoria where the survey results show that houses with suites disposed of 36% more garbage cans per house on average than homes without suites. According to the survey results then, homes with suites have in fact have been overcharged since they produce less than double the amount of garbage compared to homes without suites. In Abbotsford, homes with suites also did not dispose of double the amount of garbage (42% more).

4.4 No charge for secondary suites – as a matter of policy

Description

Some municipalities do not levy additional charges for homes with secondary suites (District of North Vancouver). There may be a variety of reasons for this approach. It is a means of encouraging secondary suites as a way to provide affordable housing, and minimizing the administrative burden of regulating secondary suites.

Discussion

Municipalities may consider the question of whether or not to charge for suites on the basis of whether they wish to encourage them in their communities. Secondary suites can benefit municipalities in several ways as described in the literature review. For example, they may:

- Increase the supply of ground-oriented affordable rental housing;
- Provide an efficient way for municipalities to respond to the need for affordable housing without local government expenditures;
- Provide an opportunity to meet housing needs in a way that is less disruptive and obvious than a new low or high-rise building (gentle densification);
- Make more efficient use of the existing housing stock and municipal services (in areas that have experienced population decline or decline in household size (e.g. empty nesters, single persons or other small households).

Secondary suites provide other benefits as well. They may:

- Assist households with home ownership as a result of the additional income;
- Assist older home owners to age in place – by providing additional income, security and personal services;
- Encourage the upkeep of existing homes;
- Generate additional property tax revenue;
- Facilitate neighbourhood stability – by offering an alternative to existing owners or renters who may want to remain in their neighbourhood even if family circumstances change; and
- Provide environmentally friendly, sustainable, and more compact communities.

Municipalities may wish to consider these factors before charging for secondary suites. In addition, they may also want to consider if imposing these charges is worth the added administration.

4.5 No charge based on demographics

Description

The rationale for not charging for the potential infrastructure impacts of secondary suites identified in the literature review, is that "accessory apartments are not likely to increase the number of people living in the house beyond the number for which it was originally designed". It is assumed that secondary suites should not place an increased burden on services because:

- household sizes have declined to such an extent that the present population is substantially less than in the past, so there is spare capacity in the municipal services; and
- many communities in Canada and the United States have experienced a decline in population, largely as a result of families maturing and children leaving home.

The literature holds that areas most likely to experience conversion are those which have experienced a decline in population. In these areas secondary suites would not place an extra burden on municipal infrastructure and services. The literature does not address the impact of secondary suites in communities that have not experienced a decline in population. The rationale for not charging may be based on different considerations or may not apply in these areas.

Discussion

In assessing this approach, the question is whether municipalities exhibit similar demographic characteristics as described in the literature. It is clear from this study that some municipalities do (e.g. urban core), while others do not (e.g. outer suburb). This is illustrated in table 12, below.

Table 12: Demographic indicators

Demographic Variables	Literature	Victoria Urban Core	District of North Vancouver Inner Suburb	Abbotsford Outer Suburb
Population change 1966-1996	Declined	Declined 9%	Increased by 113%	Increased by 118% since 1986
Number of households 1971-1996	N/A	Increased 16%	Increased 99%	N/A
Number of households 1991-1996	N/A	Increased .7%	Increased 4.3%	Increased 25%
Average household size	Ontario: 1961 - 3.7 1981 - 2.8 1991 - 2.7	1971 - 2.73 1991 - 2.22 1996 - 2.22	1971 - 3.7 1991 - 3.2 1996 - 3.2	1971 - N/A 1991 - 3.4 1996 - 3.4
Proportion of population under 18 yrs	Declining	1971 - 29% 1991 - 21% 1996 - 20%	1971 - 41% 1991 - 31% 1996 - 27%	1971 - N/A 1991 - 35% 1996 - N/A
Average # children per family	Declining	1971 - 1.1 1991 - .8 1996 - .9	1971 - 1.8 1991 - 1.0 1996 - 1.3	1971 - N/A 1991 - 1.3 1996 - N/A

The survey results confirm that municipalities with similar characteristics to what is described in the literature would have the minimal impact on municipal services.

Table 13: Comparison of literature and survey results

Service use indicators	Literature Existing neighbourhoods <i>Homes with suites</i>	Victoria Urban Core <i>Homes with suites</i>	Abbotsford Outer Suburban <i>Homes with suites</i>
Water consumption	Negligible impact	Used 35% more water	Used 63% more water
Avg # residents	2-4	4	7.3
Proportion of residents under 19	N/A	32% less compared to homes without suites	5% less compared to homes without suites
Avg # children per home	.8	.7	2.6
Avg # vehicles per home	1.76 – 2.5 cars	2.1 cars	2.8 cars

Municipalities may wish to conduct their own demographic analysis to determine if the approach of not charging based on demographics is appropriate for them.

4.6 Charging for capital costs

Description

Development Cost Charges (DCCs) are funds collected from land developers by a municipality, to offset some of the infrastructure costs incurred to service the needs of new development. There are some questions as to whether DCCs should also be allocated to secondary suites on the basis of paying for their share of growth related expenses. It is interesting to note that the *Development Cost Charges: Best Practices Guide* produced by the Ministry of Municipal Affairs and Housing in 1997, does not address the issue of secondary suites.

The following of municipal approaches to DCCs have been identified. Homes with secondary suites would not pay additional DCCs in municipalities that use the first two approaches. There would be charges for secondary suites under the third approach.

- Charges per lot – no extra charge for secondary suites. If 10 new lots were to be built in a new subdivision, each with a secondary suite, the fee would still be based on 10 lots.
- Fee per square foot – no specific reference to secondary suite, but pay more for more space.
- Where the DCC by-law permits, there may be a DCC for each home and an additional amount for each secondary suite (Surrey).

Discussion

The issue of development cost charges is complex. Many matters need to be considered in determining what is appropriate. The decision of whether or not to charge for secondary suites depends on the extent to which these charges are intended to reflect costs of new development, and whether charges are set based on square footage or a per unit basis. It is then necessary to

determine if suites should be treated as a single family unit or as an apartment. For these reasons, it was determined that further analysis was beyond the scope of this project.

5 Conclusions and recommendations

5.1 Conclusions

Municipalities are increasingly relying on user fees as a way to generate revenue. In BC, there is a growing trend to apply this approach to secondary suites, and municipalities are introducing utility fees and other charges for municipal services related to both legal and illegal suites. These fees are intended to provide revenue to address the impact of secondary suites on municipal infrastructure and services, and to address community concerns that suites should pay their "fair share" of municipal taxes and costs. However, there is concern about how charges are being calculated and whether they are being assessed equitably.

Much of the literature on secondary suites addresses concerns expressed by the public regarding the impact of suites on municipal infrastructure and services. However, the literature review found no empirical evidence of actual impacts of secondary suites that would justify the fees being charged. The most commonly held view expressed in the literature is that accessory apartments are not expected to place an increased burden on services because of a decline in population and reduced household sizes. There is an assumption that areas most likely to experience conversion are those which have experienced a decline in population. In these areas secondary suites would not place an extra burden on municipal infrastructure and services.

It should be noted that the literature is limited in scope because most of what has been written focuses on existing neighbourhoods. There is very little information about the impact of suites in new neighbourhoods or about new homes that are specifically designed to contain a "purpose built" suite. Therefore, the literature is not entirely useful in considering the current situation in BC where many municipalities are experiencing significant growth.

This study assesses the validity of different approaches to charging homeowners for the municipal servicing costs of secondary suites based on the information obtained from the literature review and the case studies. The case studies are important because they provide preliminary empirical data showing the demographics of three types of municipalities, and the actual impact of secondary suites on local infrastructure for two municipalities.

The demographic analysis shows that Victoria, North Vancouver and Abbotsford are quite different municipalities in terms of population growth rates, household growth rates, average household size, proportion of population under 18 years and the average number of children per family. The older urban core municipality (Victoria) most closely reflects the type of municipality described in the literature where the presence of secondary suites would not affect the use of municipal infrastructure – declining or stable population, declining household size, and a decline in the average number of children per family.

There were two significant findings from the survey results. Firstly, homes with suites do not consume twice the amount of municipal services as those without. For virtually all aspects of urban infrastructure examined: water and sewer, garbage and recycling, and parking - the occupants of homes with secondary suites consumed less than double the services. Extra consumption of water by homes with secondary suites (and consequently sewer) ranges from 35% to 63% more. Homes with suites produce 36% to 42% more garbage for collection on a weekly basis; possess 27% to 40% more cars per household; and either have more than enough on site parking spaces or just under the number of on site spaces needed to accommodate the

additional vehicles. Consumption patterns can be explained by the fact that tenants of secondary suites tend to participate less in service consuming activities such as car washing and lawn watering.

Secondly, the impact of secondary suites on the use of municipal infrastructure varies according to type of municipality. For example, the impact of secondary suites on most elements of municipal infrastructure examined in this study is less in the urban core municipality compared to the outer suburb. Although we were unable to carry out the survey in an inner suburb, it is reasonable to assume that resident consumption patterns would lie somewhere between those of an urban core type municipality and an outer suburban municipality.

In assessing the different approaches for charging for secondary suites, it is important to note that there is no such thing as a typical neighbourhood. Every community is different, and it is up to each municipality to determine which approach makes the most sense given local circumstances.

5.2 Recommendations

Firstly, it is recommended that municipalities consider the following in determining whether or not to charge servicing fees for homes with secondary suites:

1. Policy considerations. Municipalities may wish to consider the extent to which they wish to encourage secondary suites as a way to meet affordable housing or other objectives. For example, increased density through secondary suites can be a cost effective alternative to continued single family development.
2. Administrative considerations. Another issue is whether they wish to undertake the additional administrative responsibilities involved in charging extra fees for utilities and other services for secondary suites.
3. Demographic considerations. Municipalities may wish to base their decision on whether or not to charge secondary suites for services based on their demographics. This analysis would help municipalities determine the extent to which suites are likely to have an impact on municipal infrastructure and services. Factors to consider include:
 - Population change
 - The change in the number of households
 - Average household size
 - Proportion of population under 18 years
 - Average number of children per family

If the decision has been made to charge homes with suites, the next step is to determine what amount is fair or reasonable.

1. Municipalities that wish to recover municipal servicing costs associated with secondary suites may wish to consider charging all homes based on consumption or use. This is an ideal approach as it is clear that all homes would be paying their "fair share" regardless of whether or not the home has a suite. In addition, this approach eliminates the need to distinguish between homes with and without suites.

It is recognized that there are costs associated with installing water meters, which is a deterrent to using this approach for water and sewer charges in existing homes. However, municipalities may wish to consider the feasibility of installing water meters in new homes, and perhaps giving homeowners the option of installing meters in their existing homes as well. As new residential development occurs, meters should be installed. This approach would fairly represent additional consumption by homes with suites or without suites.

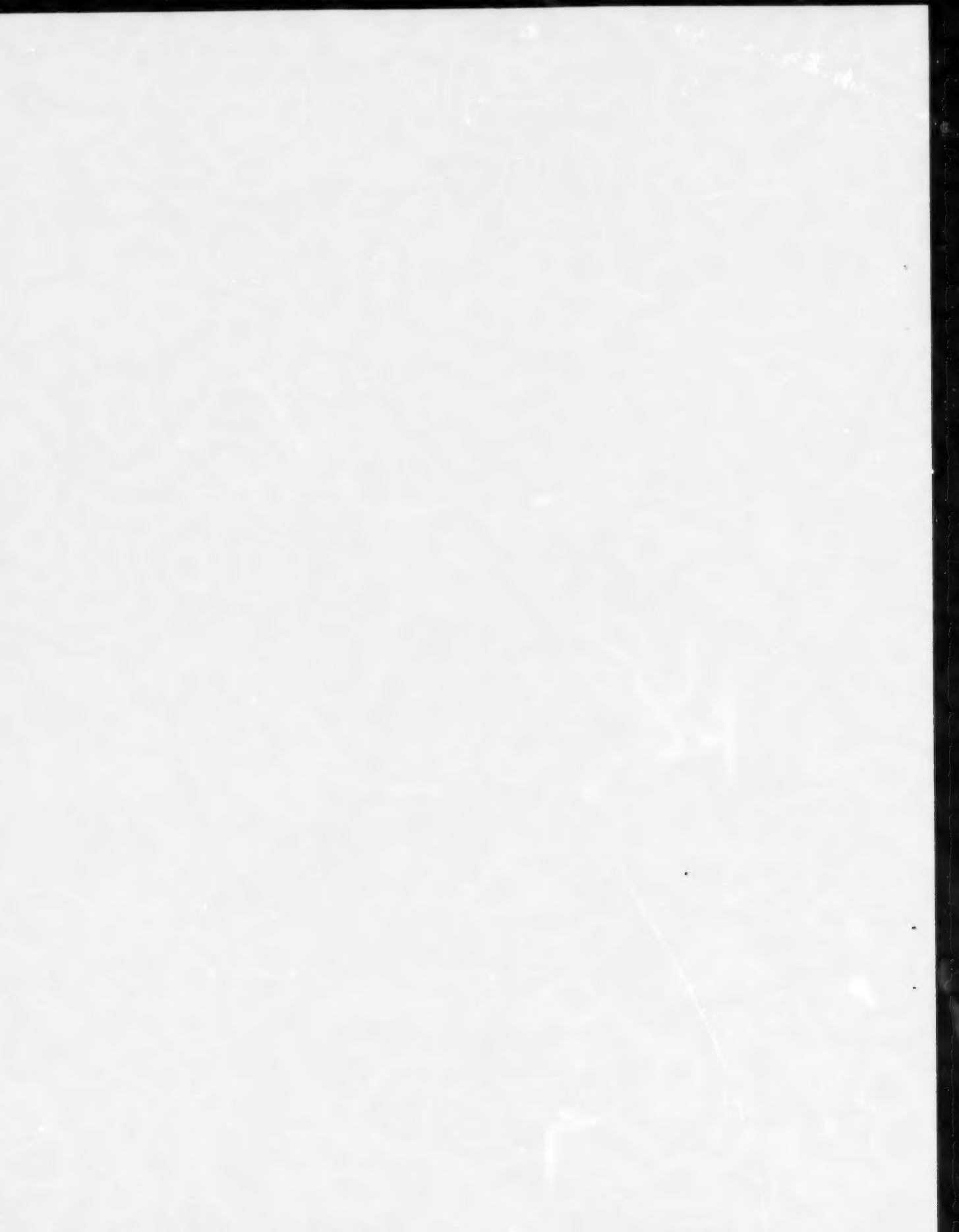
2. If municipalities decide to charge for municipal services such as water, sewer and garbage collection on a per unit basis, according to this study, it would appear that the rate for secondary suites should be less than the charge for single family homes. Based on the demographic analysis and survey results, the impact of secondary suites is likely to vary considerably based on the type of municipality as follows:

Urban core municipalities – Minimal impact likely.

Inner suburbs – Impact is likely to be more than urban core municipality but less than newly developing greenfield outer suburb.

Newly developing outer suburbs – May face the greatest impact.

These findings stem from three case study municipalities only. More empirical studies are needed, particularly for inner suburban municipalities, to determine how applicable the results are elsewhere. A larger sample of neighbourhoods should be included to ensure results are typical of the municipality and to confirm these preliminary findings. It is also recommended that the findings about different types of municipalities be re-examined over time as neighbourhoods change and densify.



Appendix A



TRAC Letterhead

date

Dear Resident,

Canada Mortgage and Housing Corporation is sponsoring research to compare the difference in the use of municipal services like water, sewer and garbage pick up, between homes with secondary suites and homes without secondary suites. Your answers to this brief questionnaire will help the research team to answer this question.

Secondary suites are self-contained apartments in single family homes, usually in the basement. They are also called basement suites.

Two neighbourhoods in the Lower Mainland have been selected to participate in the survey. Both are in cities where secondary suites are legal. Your neighbourhood is one of them. Randomly selected homes in your neighbourhood will be receiving a survey, including those homes with and without secondary suites.

We ask you to take 5 minutes to complete this survey. Your replies will be kept confidential. We are not asking for your name or your tenant's name. The information collected through the survey will be presented in summary form only.

This research is being conducted by: Vanessa Geary, Tenants Rights Action Coalition; Margaret Eberle, Eberle Planning and Research; and Deborah Kraus, Policy Consultant. If you have any questions or concerns about the survey, or would like to know more about this issue, please call Margaret Eberle, 254-0820 or Deborah Kraus, 221-7772.

Thank you in advance for completing the survey.

Sincerely,

Vanessa Geary, Coordinator

Survey

People living in homes without secondary suites should answer Part A.

People living in homes with secondary suites should answer Parts A and B.

A. The following questions are about the main part of your home and the people living in it. Do not include secondary suite occupants in your answers.

1. Please CHECK one appropriate response.

- a) This house does not have a secondary suite. _____
- b) This house has an occupied secondary suite. _____
- c) This house has more than one occupied secondary suite. _____
- d) This house has an unoccupied secondary suite. _____

2. How long have you lived in this house? _____

3. How long have you lived in this neighbourhood? _____

4. How many bedrooms are in the main part of your home? _____

5. What is the approximate area (square footage) of your house including finished and unfinished basement space?
Please check one response.

- a) Under 1500 square feet _____
- b) 1500 – 2000 square feet _____
- c) 2000 – 2500 square feet _____
- d) Over 2500 square feet _____
- e) Don't Know _____

6. How many people live in the main part of the house most of the time? (remember to count yourself). _____

7. How many people in each of the following age categories live in the main part of the house? (remember to include yourself)

0-4 yrs	5-19 yrs	20-44 yrs	45-64 yrs	65+yrs
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The following questions are about your family's use of water, sewer and garbage/recycling services. Do not include secondary suite occupants in your answers.

Please check the appropriate response.

8. Our home has a water meter. Yes____ No____ Don't Know____
9. We have a washing machine. Yes____ No____
10. We have a dishwasher. Yes____ No____
11. Please choose one statement which best describes your watering habits in the summer.
- a) We water our lawn and flower garden. _____
- b) We water only the flower garden. _____
- c) We do not water the lawn or garden at all. _____
12. We wash our car(s) at home regularly (2-3 times per month). Yes____ No____
13. We participate in the bluebox recycling program regularly (2-3 times per month). Yes____ No____
14. Our bathroom and kitchen fixtures are designed to reduce water consumption. Yes____ No____ Don't Know____
15. How many bags/cans of garbage does your family dispose in a typical week? _____
16. Do you buy stickers to enable you to dispose of more than the weekly limit of garbage? Yes____ No____
17. If yes, how many per month? _____

The following questions are about cars and parking. Do not include secondary suite occupants in your answers.

18. Does anyone residing in your home own a motor vehicle? *If no, go to Part B.* Yes____ No____
19. How many vehicles do you have? _____
20. Do you have off-street parking spaces on your property such as a garage, driveway, or carport? Yes____ No____
21. If yes, how many off street parking spaces do you have? _____

22. Do you park there regularly? Yes _____ No _____
23. Do you park on the street? Yes _____ No _____
24. If yes, how many cars are usually parked on the street? _____

If you do not have an occupied secondary suite, go to Part C.

B. The following are some general questions about the secondary suite and the people living in it. Include only secondary suite occupants in your answers.

25. How long has your tenant(s) lived in this suite? _____
26. How long has your tenant lived in this neighbourhood? _____
27. How many people live in the secondary suite? _____
28. How many people in each of the following age groups live in the secondary suite?

0-4 yrs	5-19 yrs	20-44 yrs	45-64 yrs	65 yrs+
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

29. How many bedrooms does the suite have? _____
30. What is the approximate area (square footage) of the suite? _____

The following questions are about the suite occupant's use of water, sewer and garbage/recycling services. *Include only secondary suite occupants in your answers. Please check the appropriate response.*

31. Tenants have access to a washing machine in this home. Yes _____ No _____
32. Tenants eat most of their meals in the suite. Yes _____ No _____ Don't Know _____
33. Tenants have a dishwasher in their suite. Yes _____ No _____
34. Tenants wash their car 2-3 times per month. Yes _____ No _____
35. How many bags/cans of garbage do the tenants dispose of in a typical week? _____
36. Do the tenants buy stickers to enable them to dispose of more than the weekly limit of garbage? Yes _____ No _____

37. Tenants participate in the bluebox recycling program. Yes _____ No _____

The following questions are about cars and parking. Include only secondary suite occupants in your answers.

38. Does your tenant(s) own a motor vehicle? Yes _____ No _____
If no, go to C.

39. How many vehicles does your tenant(s) have? _____

40. Does your tenant(s) have the use of an off-street parking space such as a garage, driveway, or carport? Yes _____ No _____

41. If yes, how many off street parking spaces does the tenant(s) use? _____

42. Does your tenant park there regularly? Yes _____ No _____

43. Does your tenant park on the street? Yes _____ No _____

44. How many cars does your tenant(s) usually park on the street? _____

C. Thank you for your participation in the survey. Is there anything you would like to add?

Appendix B

The following tables compare some demographic characteristics of the survey sample and census data. Slight differences are apparent, some of which may be explained by definitional variations, others by actual differences between the sample and the census tract population. For example, the smaller average household size evident in Victoria census data could arise from the presence of some multiple dwelling units within the census tract boundaries.

Victoria	Survey sample 1998 (homes without suites)	Census 1996
Average household size	2.7	2.2
Number of children under 18/19 yrs	25%	20%
Average number of children per family	0.7	0.9

Abbotsford	Survey sample 1998 (homes without suites)	Census 1996
Average household size	4.3	3.4
Number of children under 18/19 yrs	39%	31%
Average number of children per family	2.6	1.3 (1991)

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